FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,310 Tuesday May 1 1984 D 8523 B

Reagan's commitment to Central America, Page 18

NEWS SUMMARY

GENERAL

Poles on alert for May Day clashes

Polish authorities yesterday mobilised extra police, set up summary courts to try demonstrators and banned the sale of alcohol in preparation for May Day protests called for by Solidarity.

Underground leaders of the outlawed trade union flooded city streets and factories with leaflets calling for a boycott of the Communist ceremonies and urging Poles to take part in counter-demonstrations and attend church services in support of political prisoners. **Earlier story, Page 3**

Lebanon's Cabinet

New Lebanese Premier Rashid Karami named a 10-man Cabinet, including Moslem leaders Walid Jumblatt and Nabih Berri and Christian leaders Camille Chamoun and Pierre Gemayel.

Taiwan obstacle

President Reagan said he was confident his visit to China had strengthened ties but acknowledged that the countries' differences over Taiwan could delay progress. **Remarks defended, Page 3**

Socialist setback

Catalonian election results set back the ruling Socialist Party and enhanced prospects for new centre-right moves in Spanish politics. **Page 2**

Israeli terror probe

Israeli security forces are trying to find the full extent of the Jewish terrorist underground in the occupied West Bank and Golan Heights, after the attempted bombing of Arab buses on Friday. **Page 4**

Arafat eyes Cairo

Palestinian leader Yassir Arafat said he hoped Egypt would let him move the PLO headquarters from Tunis to Cairo.

Punjab shooting

Former Punjab senior police officer Bachan Singh was killed by Sikh gunmen in an Amritsar street. It was the fifth attempt on his life. **Page 4**

Mountaineers die

French mountaineers Philippe Dumas and Patrick Taglianut were killed in an avalanche on Mt Annapurna I in the Himalayas, and Briton Nicholas Seely was badly hurt while climbing Mt Kang Guru, Nepal said.

Swiss land curbs

The result of a referendum this month is expected to make it much harder for foreigners to buy non-commercial property in Switzerland. **Page 20**

Forty feared dead

More than 40 were feared dead after a lorry plunged into the Mpologoma River 80 miles east of Kampala, Uganda.

Embassy search

London bomb squad police began searching the Libyan embassy after the departure of its staff. Libyan leader Col Muammer Gadaffi said he would open formal relations with the Irish Republican Army unless Britain restored diplomatic relations.

U.S. rejoins study

The U.S. withdrew its objections to participating in an important Nato arms project, for an eight-nation frigate, after protests by European governments. **Page 20**

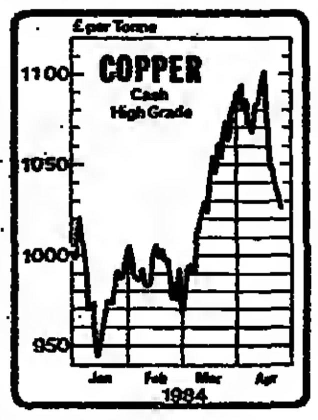
BUSINESS

London up 2.1 to record 910.1

LONDON: leading shares were quieter after last week's surge, but secondary issues found selective support, contributing to a firm showing. The FT Industrial Ordinary index rose 2.1 more to 910.1, a record. **Report, Page 37; FT share information service, Pages 38–39**

WALL STREET: Dow Jones index closed up 1.68 at 1,170.75 **Report, Page 33; Full share listings, Pages 34–36; Leading prices, other exchanges, Page 36**

TOKYO markets were closed for the emperor's birthday.



COPPER was under pressure in London from speculative selling. Cash price for high-grade closed £11.5 down at £1,025 a tonne. **Page 42**

DOLLAR improved in London on expectations that U.S. interest rates will stay firm. It rose to DM 2.7185 (DM 2.706), FFr 8.338 (FFr 8.31), SwFr 2.248 (SwFr 2.235) and Y226.85 (Y226.65), and its trade weighting was 129.3 (128.9). In New York it closed at DM 2.7115, SwFr 2.2457, FFr 8.3365, Y226.60. **Page 43**

STERLING lost 30 points in London to $1.3985 – near its record closing low of $1.3955 – but was up at DM 3.805 (DM 3.795), FFr 11.66 (FFr 11.64) and SwFr 3.1425 (SwFr 3.135). It eased to Y317.5 (Y318) and its trade weighting stayed at 79.7. In New York it closed at $1.3995. **Page 43**

GOLD fell $2.5 in London to $375.5, $4.125 in Frankfurt to $315.75 and $3.75 in Zurich to $375.75. **Page 42**

U.S. AND EUROPEAN semiconductor industries can expect unprecedented growth rates through 1986, a manufacturers' survey said.

NORWAY'S coalition is under fire at home and abroad for its intervention on behalf of a Norwegian offshore fabricating company. **Page 8**

ARGENTINA agreed to immediate settlement of a $30m debt to Bolivia for natural gas supplies, to help the La Paz Government overcome its financial crisis. **Page 6**

GEORGIA-PACIFIC, biggest U.S. plywood producer, paid $152m for an 8.5 per cent stake in forest products concern St Regis, from hotels, cigarette and insurance group Loews.

AMERICAN EXPRESS said it expects second-quarter earnings to be lower than last year's $195m net. First-quarter net was 28 per cent down on the comparable period.

AMERICAN BROADCASTING Companies of the U.S. completed the takeover of ESPN, the country's biggest cable network, from Texaco in a $202m deal.

The editorial content of today's international edition has been restricted because of industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news, the final Wall Street report and closing U.S. share prices.

Leading indicators in U.S. show first fall in 19 months

BY STEWART FLEMING IN WASHINGTON

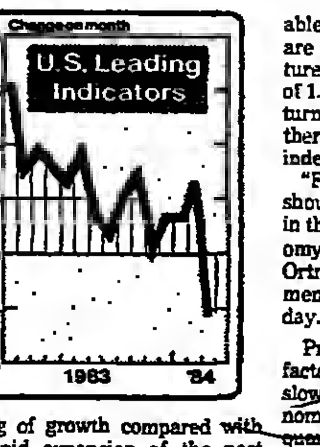
THE U.S. composite index of leading economic indicators dropped 1.1 per cent in March, the Commerce Department reported yesterday. The fall, the first in 19 months, will reinforce expectations that the economy is slowing from the 8.3 per cent annual rate of increase recorded in the first quarter of the year.

Reagan Administration officials, who a few weeks ago were saying that the economy was not "overheating," quickly dismissed the suggestion that the March decline showed a serious slowdown in the performance of the economy.

Mr Malcolm Baldrige, Commerce Department Secretary, said the decline "exaggerates the extent of the slowdown in economic growth." Rapid first-quarter expansion and "a more moderate pace" in the second quarter should be averaged to gain the true picture of economic conditions, he said.

Unusually bad weather in March may have contributed to the indicators' decline.

Among private economists there is widespread agreement that the second quarter will see a significant slowing of growth compared with the rapid expansion of the past year. However, there is widespread disagreement about the severity of a slowdown, whether it would mark the beginning of a period of sluggish expansion, or what the implications would be for interest rates and inflation.



The leading economic indicators index is designed to forecast cyclical turning points in the economy. Officials say that the figures for one month, even when they show a sizeable decline as they did in March, are not a reliable guide to the future. If February's revised increase of 1.3 per cent and the March downturn in the index are averaged, there is no strong downtrend in the index, officials say.

"From this point on, people should expect occasional setbacks in this index, even though the economy continues to grow," Mr Robert Ortner, the Commerce Department's chief economist, said yesterday.

Private economists cite several factors as likely to contribute to a slowdown in the pace of the economic expansion in the second quarter.

Inventory accumulation, which accounted for half the first-quarter real growth, is expected to slow in both the farm and corporate sectors. There is some evidence that the pace of retail sales has eased.

The pace of housing starts is expected to slacken and the car industry is expected to cut production during the second quarter. Some economists have estimated that this

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Doubts on recovery fail to curb dollar's rise

BY OUR ECONOMICS CORRESPONDENT IN LONDON

THE DOLLAR continued to strengthen in Europe yesterday despite figures suggesting that the U.S. trade balance is worsening and that the economic recovery may be running out of steam.

The dollar rose to its highest level since mid-February against the D-Mark at DM 2.719 compared with DM 2.708 at Friday's London close.

Dealers said continuing pessimism about the direction of U.S. interest rates had underpinned the foreign exchange markets with considerable buying of dollars by the corporate sector.

Nervousness about the future trend of interest rates was also reflected in the London gilt-edged securities market, where price of long-dated stock eased by about ½ point.

The strength of the dollar in London particularly reflected the fact that the announcement of a U.S. current account deficit of $10.3bn for March appeared to have no depressing effect on the currency in New York on Friday.

The market also took yesterday's announcement of a 1.1 per cent fall in the U.S. economic leading indicators in its stride. This was the first decline since August 1982, and comes at a time when many commentators are predicting a slowing of the pace of U.S. growth this year. This might be expected to ease pressure on the credit market and therefore to help interest rates.

Sterling fell almost ½ cent against the dollar in London to close at $1.385. However, it remained strong against continental currencies, so that its index against a trade-weighted basket of currencies was unchanged at the close in London at 79.7. This was 4.7 per cent lower than its trade-weighted value six months ago.

The pound appeared not to react to yesterday's trade figures which showed a very small current account surplus for March of £43m, down from £819m. However, the figures have been very erratic recently, and it appears that the market has been focussing much more on the dollar and U.S. interest rates.

Money markets, Page 42

Banca del Lavoro plans share issue

BY ALAN FRIEDMAN IN MILAN

BANCA NAZIONALE del Lavoro (BNL), Italy's largest state-controlled bank, is planning to offer up to L300bn ($178m) of shares to the public through a new quotation on the Milan bourse.

Dr Nerio Nesi, chairman of BNL, said the bank planned to float shares "before the end of this year." At present the Italian Government, through the Treasury, controls 88 per cent of the bank.

Analysts in Milan were sceptical yesterday that the bourse could absorb a new issue of shares as large as the one mentioned by Dr Nesi. The actual issue, when it is introduced, is expected to be smaller.

BNL's eventual goal is to privatise around 30 per cent of the shares, bringing the state holding down to around 55 per cent. The new shares would be non-voting and the state would still retain majority control.

None the less, Dr Nesi's announcement, made at the bank's annual meeting in Rome, comes only a few weeks after news of other major Italian privatisation plans.

Last month Italy's giant IRI state holding group said it planned to offer shares in 10 of its companies, both on the Milan bourse and to foreign investors. In March, the ENI state energy group said it would float 20 per cent of Saipem, the oil and gas pipelaying and drilling company. The BNL flotation, although likely to take longer than Dr Nesi hopes, marks another step in the process of privatising several Italian state-controlled companies.

Last year BNL recorded virtually unchanged net profits of L20.3bn. The bank's total deposits at year-end were L52,357bn, up from L48,500bn in 1982. The BNL balance sheet total last year was L59,700bn, against L55,300bn the year before.

Banco di Napoli, the Naples-based state-controlled bank, has reported a 1983 net profit of L8.5bn against L7bn the previous year.

● The Agnelli family, which through its IFI holding company controls Fiat, has moved swiftly to replace the board of La Rinascente, the leading retail group of which it recently took control.

La Rinascente announced last night that 10 of its 15 board members had been replaced, of which

Continued on Page 20

UK banks' credit ratings cut

By William Hall in New York

BARCLAYS BANK and National Westminster Bank, Britain's two largest banks, have been removed from the list of less than a dozen international banks whose long-term debt is rated AAA, the premier rating by Standard & Poor's, the U.S. credit rating agency.

Standard & Poor's announced yesterday that it had downgraded the long-term debt of three of the four major clearing banks because it believes the recent changes in the tax treatment of the UK banks' leasing business will have a "significant negative impact on the banks' capital ratios."

The long-term debt ratings of Barclays Bank, Barclays Bank International and National Westminster Bank have been lowered to AA-plus from AAA.

Midland Bank's long-term debt rating was lowered from AA to AA-minus and its U.S. subsidiary, Crocker National Bank, had its rating lowered from A-plus to A. Lloyds Bank was excluded because it has never applied to the U.S.

Continued on Page 20

UK deficit on manufactured goods surges

BY MAX WILKINSON IN LONDON

BRITAIN'S balance of trade in manufactured goods deteriorated sharply in the first three months of the year, although this was offset by a record surplus in oil trade, according to official figures out yesterday.

They showed that in the first three months of the year, imports were £1.46bn ($2.04bn) higher than exports on an overseas trade statistics basis.

This was 14 per cent higher than the adverse balance of trade in the final quarter of last year and 24 per cent above the equivalent year earlier figure.

Although the overseas trade basis shows a rather higher deficit than on the balance of payments basis (not yet available for the first quarter), the trend is beginning to give the Government considerable anxiety.

This was reflected in the recent speech by Mr Nigel Lawson, Chancellor of the Exchequer, who said that manufacturing trade would have to fill the gap when Britain's oil reserves started to run down, from next year onwards.

Britain had been a net exporter of manufactured goods for more than a century until last year when it became a substantial importer of manufactured goods.

In recent months, however, the surplus earned on oil trade has been running at the rate of around £770m per month, matched by a deficit of about the same amount on trade in non-oil goods.

Yesterday's figures showed the current account balance of payments to have been an estimated £773m in surplus in the first quarter of the year, made up of a very small surplus of £23m for visible trade and an estimated surplus of £750m on invisible trade.

The recent trend appears, however, to have been an increase in the volume of exports of goods other than oil, with a rise of 1½ per cent in the first quarter of this year compared with the previous quarter.

Non-oil-imports have also been rising, with a ½ per cent increase in volume in the first quarter of the year, compared with the previous quarter.

Imports have been rising steadily during the recovery in domestic demand and the volume of non-oil imports in the first quarter of this year was nearly 12 per cent higher than a year earlier.

Germany approves N-deal with China

BY RUPERT CORNWELL IN BONN

THE BONN Government yesterday approved an atomic energy co-operation agreement with China, which it hopes could pave the way for participation by West German suppliers in Peking's civil nuclear programme.

The deal, similar in some respects to that signed by President Ronald Reagan during his visit to China, will be formally signed during next week's visit to Bonn by Li Peng, the Chinese deputy premier.

Peking has drawn up a programme for the construction of 12 nuclear power stations. But Herr Peter Boenisch, the Government spokesman, admitted that "realistically," the lion's share of these orders would probably go to U.S. companies.

He also stressed that the agreement implied no understanding with China for the latter to store West German nuclear waste.

Last February it emerged that China had offered to permanently dispose of spent radioactive fuel from Europe, and that it had signed a letter of intent for three West German companies to act as agents.

Bonn officials emphasised last night that the West German Government was sticking to plans to store such fuel within the country, at the Gorleben site, close to East Germany.

The new agreement between the two governments crowns negotiations begun in December 1982. It is also the latest in a line of accords strengthening economic co-operation between them – notably in the space and satellite sectors.

West German N-site blockaded, Page 2; China's economy grows, Page 3; Editorial comment, Page 18.

Gibbons may try again for stamp of approval

By William Dawkins in London

STANLEY GIBBONS, the troubled stamp dealer which was refused permission to join London's Unlisted Securities Market (USM) earlier this month, may try again for a quotation in August or September.

Ionian Securities, a London issuing house, has re-opened Stanley Gibbons' route to the USM by acquiring the 57 per cent stake held by Mr Clive Feigenbaum, its former chairman. Mr Feigenbaum resigned three weeks ago after allegations of his earlier business activities.

Ionian bought Mr Feigenbaum's shares for £3m ($4.2m) against their £4m valuation at the time of the abortive flotation.

The company will wait until its next set of results – for the year to June 30 – before applying for a USM quotation, said Mr Michael Berbens, Ionian's chairman. It was impossible to say whether Stanley Gibbons would meet its earlier forecast of a rise in this year's pre-tax profits from £910,000 to £1m, since it would be trading without the benefit of the £1.5m it had expected to raise from coming to the market.

Stanley Gibbons was taken over by Letraset in 1979, which in turn was taken over by the Swedish group Esselte. Under Letraset's ownership, the company saw record profits of £2.2m turn into losses of £4.2m as Letraset pushed the stamp business into other areas like antique maps, coins and medals, and opened a New York office.

Soon after Esselte moved in, Stanley Gibbons was put on the market, and its management, led by Mr David Stokes, managing director, staged a buyout, which was completed in June 1982 at a cost of about £10m.

The company then decided to concentrate once again on philately, preserving its rare stamp business and moving into post World War II collections. It also developed a publications business, selling catalogues and other books on stamps.

Mr Feigenbaum, who became chairman in January at a salary of £45,000, has sold his shares to Ionian for 74.6p each, and the issuing house placed most of his stake with 20 UK institutions for 76p a share. It retained £300,000 worth of equity, a 5.6 per cent stake in the company. Ionian estimates that it has made net profits of about £40,000 out of the deal.

"The price reflects that it is an unquoted company. There is one

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EUROPEAN NEWS

SETBACK FOR SOCIALISTS IN CATALONIA

Poll gives lift to Spain's centre-right

BY DAVID WHITE IN MADRID

PROSPECTS for new centre-rigbl initiatives in Spanish politics bave been significantly enbanced by the oulcome of Sunday's election in Catalonia. It brougbt a surprisingly comfortable walkover by the region's governing party, Convergencia i Unio, and selbacks for all the others. These included the nation's ruling Socialists but also, perhaps more importantly, the right-wing Popular Coalition opposilion beaded by Sr Manuel Fraga.

Far exceeding forecasts tbe provisional count gave Convergencia about 47 per cent of the vote, the highest score registered by any party in the region since Franco days. Il increased its seats from 43 to an outright majority of 72 in the 135-member Catalan parliament.

The Socialists, who appear to have been worse hit by the 36 per cent abstention rate, managed to increase their seats from 33 to 41, poaching mainly from the Communists and from the Andalucian PSA party, which fougbt the last election four years ago, among Catalonia's immlgranl-worker community.

However, the Socialists' provisional score of 29 per cent was well below the 45 per cent they obtained in their general election landslide in 1982, or the 39 per cent won in municipal contests last year.

The Popular Coalition managed to bold only 11 of 18 seats won in 1980 by the now extinct UCD centre-right party and saw its share of the vole fall to 8 per cent, more than six points below its general election score.

While Convergencia's result may have been inflated by a "nseful vote" from other non-socialist camps, the election bas come across as a virtual plebiscile for Sr Jordi Pujol, the head of the regional government, and an endorsement—despite allegations of various irregularities—of his slewardship of Catalonia's four years of autonomy.

Traditional rivalry between Barcelona and Madrid appears to have counted more than classical divisions between Left and Right in the show of support for Convergencia which came not only from the conservative middle class.

The result was also a big disappointment to the Popular Coalltion which spent beavily on the campaign, and will increase the questioning of Sr Fraga's future as opposition leader.

Convergencia's victory, meanwhile, promises to provide the springboard for a "reformist party" on the national scene launched last year by Sr Miquel Roca, Convergencia leader in the Madrid Parliament, in conjunction with the Liberal PDL party beaded by Sr Atonio Garrigues Walker.

Sr Roca's aim is to make this into a powerful "third choice" in lhe next general election in 1986. It would stand lo collect a part of the centralist element which helped bring the Socialists to power.

The Catalan contest has placed the Socialists in a quandary in this key region, tbe most developed in Spain with a sixth of the population. On the one hand local party leaders perceive the need for more forceful opposition in the region in order to recover support. On the other, the Socialist Government in Madrid needs to maintain n good working relationship with the Catalan authorilies, as Sr Felipe Gonzalez, the Prime Minister, underlined after the election.

Mitterrand in Athens ahead of EEC summit

By Andriana Ierodiaconou in Athens

M FRANCOIS MITTERRAND, the French President, said in Athens yesterday that Brilain's contribution to the European Community budget would be the central problem confronting the leaders of the Ten wben they next meet al Fontainebleau in late June.

The President revealed no details of whal sort of proposals France might be preparing to present at the next summit but he hinted at compromise by saying that the indivdual interests of European member states had to be taken into account.

"If we are to defend the interests of Europe, we must adjust Enrope to tbe interests of its member-countries."

The French leader was in Greece during a diplomatic tour of EEC capitals to prepare the ground for the next Community summit. M Mitterrand visited Italy last week and will visit Britain and West Germany after Greece.

"I can say we have made some progress on agricultural issues, such as the Common Agricultural Policy and monetary issues, especially Monetary Compensatory Amounts (MCAs)," M Mitterrand said after talks with Dr Andreas Papandreou, the Greek Prime Minister.

West German N-site blockaded

BY RUPERT CORNWELL IN BONN

MORE THAN 2,000 West German anti-nuclear demonstrators yesterday defied an official ban and blockaded access roads to the highly controversial Gorleben "nuclear park" site, close to the border with East Germany.

Although no outbreaks of serious violence were reported, police moved in to evict some 500 people who had set up a camp nearby, and 24 demonstrators were arrested.

Gorleben, slted close to the extremity of a wedge of land surrounded on three sides by East Germany, is scheduled to be the home of a nuclear reprocessing plant. It is also planned that nuclear waste be stored in salt deposits lying under the district.

Tbe roads had been blocked by improvised barricades of cars, tractors and woooden barriers. But police later reported that most of the obstacles had been removed, in some cases forcibly.

The blockades were the latest stage in a long-running protest campaign against the virtually ready Gorleben plant, which is set to reach its climax when the first nsed fuel is delivered for reprocessing.

Bid to stop Dutch rail strike

BY WALTER ELLIS IN AMSTERDAM

DIRECTORS of the Dutch state railway system are to seek a court injunction against the FNV trade union federation if it asks rail workers to join a planned 15-minute work stoppage in protest at the proposed siting in the Netherlands of U.S. cruise missiles.

The FNV, which has some 950,000 members, plans the action for May 10 and 15 co-ordinating its campaign with the No to Cruise Committee (KKN), an umbrella group within the sprawling Dutch peace movement.

Although the protest would last only a quarter of an hour, rail management is concerned about possible safety implications as well as the obvious disruption to services.

The Dutch Government – a centre-right coalition of Christian Democrats and Liberals – confirmed that it will take its final decision on cruise deployment in June.

Mr Ruud Lubbers, the Prime Minister, has declined all comment on the so-called "crisis proposal" which would provide for deployment of the American missiles only in the event of a grave international crisis. Mr Ed Nijpels, the Liberal leader, is opposed to cruise.

Over the weekend the Liberals are understood to have put forward their own bottom-line option for cruise under which preparations of the selected site – at Woensdrecht in North Brabant – would go ahead but the arrival of the weapons might be deferred for a time while further attempts are made to reactivate the East-West arms talks in Geneva.

The Netherlands is due to receive its consignment of 48 cruise missiles in 1986 and 1987.

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David Buchan reports on difficulties between the EEC and Hungary

A mixed marriage, much desired, faces family problems

"DIFFERENTIATION" is the new buzzword of Western officials in describing policy towards Eastern Europe. The aim is to give better treatment to those East European countries whose policies are relatively more pleasing to the West, and so, perhaps, to give them more economic, if not political, freedom of manoeuvre from Moscow. But the current negotiations between the European Community and Hungary show how hard it can be to translate theory into practice.

The EEC has had an Ostpolitik policy since 1974 when it offered to negotiate a trade agreement with any "state-trading" country that wanted one. For a time, in the late 1970s, the EEC sought a general agreement with the other big European trading bloc, Comecon, but eventually gave up, realising that Comecon, which has no common commercial regime or tariff, had no comparable concessions to offer Brussels. Apart from the special cases of China and Yugoslavia, the only Comecon country to have concluded a bilateral trade accord with the EEC is Romania in 1980, and that accord covers only industrial goods.

So, when Hungary first started sounding out Brussels two years ago, the time seemed to have come for the EEC to play a major role in the "differentiation" strategy. Hungary, unlike Romania, is a solid Soviet ally; yet its relative political moderation and intriguing market-oriented economic reforms seemed likely to persuade EEC member governments to grant Hungary more concessions than they gave to Romania. This is now in some doubt.

Few Western officials dispute that Hungary is, in principle, the Eastern country most deserving of favourable treatment. Nor do they underestimate the possible consequences for EEC Ostpolitik of an EEC-Hungarian trade deal. It might prompt other East European countries like Poland and Czechoslovakia, which have so far signed sectoral (steel and textiles) agreements only with the EEC, to approach Brussels for similar general trading pacts.

It is even thought possible that, precisely to head off an EEC-Hungarian accord, the Soviet Union might get the Moscow-based Comecon secretariat to reply to the EEC's unanswered 1981 initiative for an EEC-Comecon agreement on such non-trade matters as swaps of statistical and environmental information.

Nevertheless there is a wide gulf, to the annoyance of the Hungarians, between general expressions of support for Hungary from Western leaders who have been recently trooping off to Budapest, and practical concessions on the table in Brussels.

Inside the EEC, Britain, West Germany and France are the most enthusiastic about Hungary's terms and Italy and Ireland the most reluctant to agree. A large measure of self-interest is involved. Britain has relatively little trade which would be affected by concessions to Budapest, and is therefore easily able to argue that Hungarian economic reforms deserve bolstering by the EEC.

Ireland, on the other hand, opposes better Hungarian access to the EEC beef market, while Italy has the longest list of restrictions on Hungarian industrial goods. Individual EEC governments maintain quotas on Hungarian industrial goods in 1,794 categories, and more than half these quotas are imposed by Italy alone. EEC countries like Italy thus naturally take a more cynical view of the Hungarian economic reforms and the political utility of the EEC supporting them.

This is no more than the usual internal EEC sparring on any external negotiation. But what makes negotiating with a Comecon country special is the country's political sensitivity to what its partners, particularly Moscow, think. Hungarian ministers deny that the reason why they went silent on the EEC issue for two months this spring was to test the wind in Moscow after President Konstantin Chernenko assumed power; but the EEC sees no other explanation.

Whatever Budapest's motives then, it has now resumed informal discussions with the EEC at "expert" level. Mr Peter Veress, the Hungarian Trade Minister, says Hungary wants to be able to see the shape of a possible agreement before entering formal and publicised negotiations.

To the EEC, this is prejudging the outcome; to Hungarian officials, it is a sound precaution. They want to guard their flank against taunting from Comecon partners that Hungary has signed an accord of political advantage to the West and of little economic benefit to itself.

Hungary is seeking from the EEC:

- Abolition of the import quotas which EEC members impose nationally on Hungary, as on all "state-trading" countries.
- Preferential tariff treatment, in return for which Hungary is ready to lower its tariffs, but without giving "effective reciprocity" or the fixed guarantee of increased imports from the EEC which Brussels normally demands from "state-trading" countries.
- Better access for Hungarian food.

All three demands pose problems. Brussels hints of some flexibility on the tariff reciprocity and agricultural issues, but regards total abolition of Hungary's EEC quotas as quite unrealistic. Hardest for the EEC to swallow is the principle that Hungary is no longer a conventional Comecon "state-trader."

Agreeing that Hungary is dismantling part of its central planning apparatus is one thing; conceding formally that it has totally done so is quite another, it is argued in Brussels. In practice, it would mean changing the way the EEC measures whether or not Hungary is dumping goods.

Making an exception of Hungary and giving it the sort of EEC trade deal which non-aligned Yugoslavia has got would also create complaints from Romania that its 1980 deal is inadequate and from countries like Austria and Switzerland that their trading advantages with the EEC are being neutralised. At this price, an agreement with Hungary probably does not look worth while.

Hungary and the EEC have strong incentives to do a deal. Hungary wants to be treated differently.

The EEC wants to differentiate, and is in no doubt that Hungary merits favour.

The clear danger is that both sides will get so distracted over a few millions of dollars worth of trade — EEC quotas, for instance, affect only 3-4 per cent of Hungary's industrial exports —as to lose sight of their longer-term mutual interest.

Mr Peter Veress, Hungary's Trade Minister meets Mrs Thatcher in 10 Downing Street following her February visit to Budapest

THE U.S. PRESIDENT CONTINUES TO 'PREACH' TO THE CHINESE

Reagan defends censored remarks

BY MARK BAKER IN PEKING

PRESIDENT Ronald Reagan has defended the remarks which led to his two confrontations with the Chinese censor at the weekend—and repeated some of them to university students in Shanghai.

It is not known whether Mr Reagan will be censored a third time. His speech to the students is not scheduled to be televised until later in the week.

Asked yesterday why he continued to "preach" to the Chinese, Mr Reagan said: "That's my thing." He said he was not upset about cuts made by Chinese officials in reports of his remarks on Friday and Saturday praising the relative social freedoms in America and attacking the Soviet Union.

Mr Reagan was touring the Foboro process control instrument plant in Shanghai, the first ever Sino-U.S. joint venture, during his last full day in China.

He later delivered a long speech at the city's Fudan University, much of which was devoted to the now familiar theme of the political, religious and personal freedoms in the U.S.

This time his remarks carried less of the implied criticism of his hosts which provoked the weekend censorship, and his speechwriters chose to give the theme of Soviet perfidy to rest.

"We believe in the dignity of each man, woman and child. Our entire system is founded on an appreciation of the special genius of each individual—and of his special right to make his own decisions and to lead his own life," Mr Reagan said yesterday.

Before leaving Peking yesterday morning, Mr Reagan signed a series of agreements with Mr Zhao Ziyang, the Chinese Premier, on scientific, technological, educational and cultural exchanges.

He was also present at the initialling of an agreement on nuclear co-operation, which was concluded only last Thursday.

He said the agreement would enable U.S. firms and experts to assist China in its goal rapidly to expand the generation of nuclear power by the end of the century.

"Our agreement is based on our shared desire to prevent the proliferation of nuclear explosives in the world, and it brings a new dimension to peaceful co-operation in our relationship," he said.

- Japan's Ambassador to the Soviet Union cancelled an address scheduled for Soviet television after refusing to give into Soviet demands to alter certain parts, AP reports from Tokyo.

The Soviet foreign ministry demanded that portions of the speech by Masuo Takashima, Japanese ambassador to the Soviet Union, that touched upon the disputed northern territories and nuclear disarmament be amended, Kyodo News Service said.

Editorial comment, Page 18

Chinese personal income grows rapidly

CHINA'S economy grew by 10 per cent last year, and the average income of its 800m peasants jumped almost 15 per cent, but inefficiency and shortages of energy and transport continued to plague Chinese factories, AP reports from Peking.

"Industrial economic performance improved, but not much," said a state Statistical Bureau report on productivity, profits and efficient use of energy released on Sunday.

"Some enterprises continued to put one-sided emphasis on output value to the neglect of economic performance, and some products did not cater to the changes in social demand," it said.

However agricultural production remained a bright spot in the economy. After increasing 11 per cent in 1982, agricultural output value rose 9.5 per cent in 1983 to Yuan 312.1bn (£105bn), the report said.

The Bureau said improvement was due to new farming techniques, good weather conditions and the new incentive system under which peasants earn more for more work, rather than share equally.

Grain output set another record, climbing 9.2 per cent to 387m tons, compared to an increase of 8.7 per cent in 1982.

It said a sample survey of 30,427 peasant households around the country showed average annual per capita income of 309.8, up 14.7 per cent from the previous year, but well below the average earned by the nation's 115m urban workers.

Industrial output alone rose 10.5 per cent compared to Yuan 609bn. growth in a 7.7 per cent duction in, while total procure, including yields of agricultural, communications, building trade and commerce and transport, 1,105bn, up 10 reached Yuan

The Bureau sent on customs statistics that based a Yuan 1.65bn China had foreign trade last in its from a Yuan 5.66bn down 1982. Exports rose 5 in to Yuan 43.83bn, but spent shot up 18 per cent to 42bn.

Ivory Coast debt talks set to open tomorrow

BY PETER BLACKBURN IN ABIDJAN

SUBSTANTIVE debt rescheduling negotiations between the Ivory Coast and the Paris Club of official creditors will begin in Paris tomorrow.

This follows the Ivorian Government's decision last December to seek a rescheduling of some $700m of medium- and long-term public external debt due in 1984.

The Ivorian delegation, led by Mr Maurice Seri Gnoleba, Minister of State, is seeking to reschedule some $350m of principal and interest payments due to official creditors this year. Officials hope to conclude an agreement in June to enter into force in July.

The expected approval by the International Monetary Fund (IMF) this week of a one-year standby credit of some $19m should reassure both official and commercial creditors. The credit would be accompanied by fresh measures to strengthen the economy.

Government officials point out that public sector payment arrears were reduced by some $165m during the first quarter of 1984, thereby meeting the IMF's most important performance criterion.

Debt service is expected to absorb nearly 45 per cent of export earnings in 1984, while the Ivory Coast's estimated total external debt of $6.3bn makes it one of the world's most indebted in per capita terms.

The decision to reschedule was due to three factors, according to a Government communique:

- Steady deterioration in prices of cocoa and coffee, of which the Ivory Coast is the world's first and third largest producer respectively.
- Steady appreciation of the dollar during the past three years, as well as a sharp rise in interest rates.
- West Africa's worst ever drought.

Negotiations with the London club of commercial creditors concerning the rescheduling of principal payments due this year are also expected to start soon.

Jaruzelski tries hard to foster image of normality in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

GENERAL Wojciech Jaruzelski must be hoping that the Polish Communist Party's May Day march which he will be leading will be the only demonstration in the centre of Warsaw today.

Poland's military leader is set to visit Moscow next month, and a large turn-out for a counter-demonstration which the Solidarity movement's fugitive leaders have called for today would spoil the picture of a normalised country that Poland's allies want to see.

The general's visit will be his first since Mr Konstantin Chernenko became Soviet leader, and will entail some serious discussions linking Soviet economic concessions to progress in returning Poland to East European conformity.

However, there are signs that the Jaruzelski leadership with its military flavour and pragmatic policies towards the Roman Catholic Church and private farmers has won Mr Chernenko's favour and thus a greater room to manoeuvre.

This it will need if it is to combine a policy of repression and conciliation in the weeks preceding the local elections on June 17, and if it is to ensure a reasonable turnout despite Solidarity's boycott call.

This year is a special one as the 40th anniversary of the Polish People's Republic falls on July 22, and an atmosphere of normality is needed at least until the celebrations, which could be attended by Mr Chernenko.

The Solidarity leadership, meanwhile, is not expecting too much of a response to its call for counter-demonstrations today.

In Warsaw, Solidarity has urged people to go to church in the morning and then march to the centre of the city. Elsewhere, Solidarity supporters might try to join official marches, a tactic which the authorities have realised is the most difficult to control.

The police have warned that they will intervene if the need arises. The media for its part has done its best to scare people away from the Solidarity marches, and arrests of activists have been stepped up.

The authorities in Gdansk and Wroclaw have introduced temporary public order measures in expectation of trouble there.

But, in a sense, the Solidarity leadership may gain by failure. Lack of response on the streets will strengthen church efforts to free the 11 Solidarity and KOR dissident group leaders who East Bloc hard-liners have been insisting should be tried.

Establishment moderates will be able to argue that the 11 are no threat and can be freed. The same would go for a political amnesty on July 22 for the other 400 or so political prisoners now being held.

Until now, the Government, still conscious of its image in the West, has shown every sign of wanting to avoid a large-scale political trial but has been insisting that the 11 leave the country.

THREE POLISH Communist Party leaders who recently attacked industrial managers for shoddy performance have now criticised scientists for shortcomings in their work, Reuter reports from Warsaw. Gen Jaruzelski, the party leader, Mr Zbigniew Messner, the chief cabinet economists and Prime Minister Zbigniew Szalajda, told leaders of the Academy of Science they were using funds uneconomically and showing indiscipline in research.

The criticisms appear to signal a drive against waste and what party leaders regard as opposition to the programme of economic and social renewal since martial law.

Israel broadens bomb probe to uncover Jewish underground

BY DAVID LENNON IN TEL AVIV

ISRAELI security forces, investigating the attempted bombing of five Arab buses on Friday have now extended their inquiries in an attempt to determine the full scale of the Jewish terrorist underground in the Israeli settlement on the occupied West Bank and Golan Heights.

The police are believed to be holding at least two dozen Jewish suspects, in connection with Friday's failed terrorist attempts and have questioned dozens more from the Jewish settlement.

They have not released the names of those arrested or [illegible] numbers currently being [illegible] and the authorities having prevented lawyers from [illegible] those under detention [illegible] by

This is common [illegible] when the Israeli authorities [illegible] but dealing with Arab [illegible] is unprecedented [illegible] in the case. However, of Jewish [illegible] practice, the another [illegible] the homes of demolition [illegible] suspicion of Arabs held not been applied terrorism, [illegible] of the Jewish in the [illegible] suspects.

Moshe Arens, the [illegible] Minister said yesterday Defence was a Jewish underground that in the occupied territ[ories] to the extent that a number of people did "covertly and concert plan the subversive activities against the State." However, he said that they did not constitute an underground in the sense of having a manifeste and outside throughout the country.

At least four more people were reported to have been arrested yesterday in the Jewish settlement on the West Bank and the Golan Heights. According to the local Press, those arrested on Friday included an army officer, a police sapper and some central figures in the Gush Emunim settlement movement. Gush Emunim (The Block of the Faithful) was one of the prime movers behind the settlement of Jews in those parts of the West Bank heavily populated by Palestinians. It also has many supporters within the coalition Government which since 1977, has encouraged and supported its settlement activities.

By broadening their investigation the security forces are hoping to find those responsible for two earlier terrorist actions, widely believed to have been carried out by Jewish settlers: the 1980 attempt to assassinate three West Bank Arab mayors and last summer's machine gun attack on the Islamic University in Hebron in which three Arab students were killed.

Damaged Gulf supertanker still stranded off Bahrain

BY [illegible] IN BAHRAIN

THE [Sa]udi-registered ultra-large crude carrier (ULCC) Safina al-Arab, which caught fire in the Gulf 100 miles north-west of Bahrain last Wednesday, is now at ancher 25 miles [illegible] of the Bahrain lightship.

The exact cause of the damage has yet to be determined. As yet Salen Tankers of Sweden, part owners and operators, are saying no more that that the explosion was probably caused by an "outside weapon deployment."

If it is established that the Safina al-Arab was hit by an Iraqi missile, the repercussions on tanker-chartering operations and war risk premiums in the Gulf could be considerable. The ULCC would be by far the biggest of those serving Iranian ports attacked this year.

Two Dutch tugs, the International Transport Company's Solano and the fire fighting tug Drado owned by Smit International, are standing by. Yesterday they pumped out some of the water used to dowse the fire which buckled part of the after-deck and severely damaged the crew accommodation and most of the starboard side.

A decision is awaited from the owner and underwriters on whether to salvage some of the cargo at sea, and representatives of Salen Tankers who operate the vessel on behalf of Safina Shipping Company, were expected to fly into Bahrain yesterday.

The distress call which went out at 2100 hours on Wednesday said the vessel had been holed in a starboard tank. It is generally suspected that the ULCC was hit by an Iraqi missile after loading with 345,000 tons of Iranian crude at Kharg Island, reportedly bound for France.

More than 30 officers and crew were picked up by the Solano, but one Filipino crewman is missing. No one has since been aboard to assess the damage and until they do, there will be no confirmation of the cause of the explosion. If it was not accidental, then the 360,000 dwt Safina Al-Arab will be by far the biggest casualty of the Gulf War at sea.

Another 10 attacks have been documented this year by the authoritative shipping magazine Seatrade. In January three small Cypriot vessels were damaged outside Bandar Khomeini, with five injuries but no loss of life. In February the 16,800 dwt bulk carrier Al Tariq was hit by a missile in the Khor Musa channel.

On March 1, four vessels sailing in convoy between Bushire and Bandar Khomeini came under attack, while on March 27 the target was the 85,000 dwt Greek tanker Filikon L, which was 40 miles south-west of Kharg Island on a voyage from Kuwait to Sicily. A Korean tug/supply vessel was sunk 100 miles off Kharg on the same day with nine casualties, one of them fatal. On March 29 the Iraqis had a second go at the Iapetos.

South African labour study urges caution

By Michael Holman in Johannesburg

A 450-PAGE report by South Africa's National Manpower Commission setting out reforms of the country's labour relations legislation was tabled in Parliament yesterday.

The wide-ranging report takes a cautious stance, however, declaring that "major changes in the current statutory provisions should not be recommended." It goes on nevertheless to advocate a number of changes in the country's complex system of collective bargaining.

A key area examined by the Commission is the Industrial Relations Court, established to mediate in disputes between employers and unions, but whose merits have been disputed by both parties. The Commission advocates reforms of the court, including steps to improve its image and status, "particularly in regard to its visible independence from governmental influence and control."

● *The opposition Progressive Reform Party* said yesterday that it would maintain pressure on Government for a full inquiry into an alleged oil scandal raised last week.

A party spokesman said that the party had received allegations linking five people in "Government or semi-government departments" to the claims of massive overpayment in the Government's purchases of oil.

Charles Richards, recently in Khartoum, describes a country in turmoil

Nimeiri clampdown on his 'enemies'

THE DECLARATION of a state of emergency in Sudan to combat what President Gaafar Nimeiri describes as enemies of the Islamisation programme may be only the first step in a clampdown en the growing opposition te his rule.

In his broadcast on Sunday. President Nimeiri banned public meetings, demonstrations and strikes, invested the military with special pellcing powers, and foreshadowed the setting np of courts-martial. Yesterday the President issued orders, including the right te search private bemes, control of transport, censorship, and the imposition of curfews. He lashed out at enemies of the Government who have become active both inside and outside Sudan.

He singled out "smugglers and corrupters," and "materialists" (meaning those who have been on strike in Sudan recently. They were the "enemies of God," be said.

He further attacked "the sons of the South, gathering under the red Marxist-Leninist banner.'

The worsening security situation in the South, long a problem for the President, is at present a minor preoccupation. In the Moslem Arabic-speaking Nerthern two-thirds ef the country, discontent has been growing about increased economic hardship, and among liberals, about the introduction of Islamic law.

But quite why Mr Nimeiri has chosen to declare a state of emergency and attack all his opponents at once is unclear. A strike by doctors that paralysed Khartonn's bospitals had ended on April 13; and striking university staff have gone back to work. Only eccountants in dispute have had their industrial action curtained by the measures.

His attack on the "Marxist Leninist" tendencies ef his opponents in the non-Moslem South is also in marked contrast to earlier apparently conciliatory moves. In a speech in March, Mr Nimeiri offered amnesty to Southern regels who laid down their arms.

The rebels, led by fermer army Colonel John Garang, are demanding the overthrow of President Nimeiri, the repeal ef Islamic law and more autonomy in the South.

The Gevernment's options in dealing with the rebels are limited. Col Garang, bas about 6,000 highly trained, well-equipped troops, and is funded by Libya. Based in neighbouring *Ethiopia*, his *troops* hava used tactics of kidnepping and murder of expatriate workers to halt two of Sudan's major development projects—oil exploratien by Chevron of the U.S., and the Jonglel Canal irrigation scbeme.

Sudan's army of 60,000 men is too small and ill-equipped to te fight in an area three times the size ef Algeria, where 600,000 French troops were pinned dewn by nationalist guerillas, in that country's war of indepependence.

There are else deubts about Mr Nimeiri's serieusness about politically conciliating bis Southern epponents. Attempts in February te initiate a dialegue with ether Southern Sudanese politicians and the despatch ef a delegetion te Washingten and London to counter the rebels' propagande bave not been followed up.

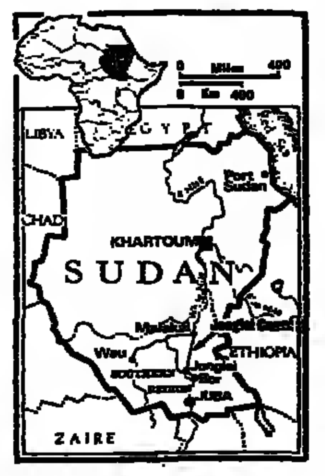
Many veteran Southern politicians feel that much anti-Northern feeling could be defused by a public declaration that Islamic law will net be applied there—as it is not in practice—and the setting up of some kind of forum to make it appear that the Southern province still exists as a single entity.

If Mr Nimeiri is concerned about the strength of bis personal position, he recently received belp from an unexpected quarter. The attack on a Sudanese radio base broadcasting anti-Libya propagande en Marcb 16 by an unmarked TU-22 bomber flying out of Libya temporarily rallied support for the Government.

There are many discontented elements within Sudan, but Mr Nimeiri faces no apparent serious challengers. Over the years be bas successfully purged the army ef the best and the brightest, who might have tried to stage e coup.

Time only will tell if this new *state of emergency* will further consolidate his position or prove to be the beginning of the end of the patience of the Sndanese people.

President Nimeiri . . . lashing his epponets



Islamic laws confuse Sudan businessmen

THE SUDANESE business community, already battered by strict secular import contrels and tight credit ceilings, has been thrown into confusion by the introduction of new laws conforming with the Islamic sharia.

Last year's introduction of an Islamic penal code under which hands can be amputated for theft and lashings follew alcobol offences (one Briton has already suffered) is driving away foreign businessmen. But the civil transactions law in force since March and the new tax law, due to come into force in September, are more far-reaching.

Inspiration for the Islamisation programme springs from the discovery of religion by President Goafae Nimeiri rathar than from popular pressure. He has drawn into his palace a group of young lawyers beaded by Mr Awad El Geed, a Moslem Brother, to translate his whims into decrees. Critics says that the group has not fully assessed the impact of the new laws.

The Civil Transactions Act runs to 849 articles under 20 cbapter headings. It covers contract law, agency law, registration, incorporation, tort and rent. Lawyers say it is poorly drafted and full of ambiguities.

Dr Hassan al Terabi, a Presidential assistant who is also a Moslem Brother, said that the law aims at sanctioning these who set up a company and run off with the assets, by making individuals liable for unlimited losses.

In theory, the Civil Transactions Act applies only te domestic transactions, with interest on foreign debt adjusted to be governed by the laws of the other country. Foreign banks are, however, being instructed not to pay interest on foreign accounts held by Sudanese.

Although the law can be easily circumvented by redefining interest as commission, the way is being prepared for the Islamisation of all banks including the central bank.

The new tax law is designed to have a practical function — to increase revenue by lowering tax rates but widening the tax base at the same time. Some 20 taxes have been abolished and the new tax system reorganised on Islamic lines.

Direct taxation on companies, businesses and individuals, which used te risa progressively to rates ef 65 and 70 per cent has been abolisbed, in favour of a flat rate of 2½ per cent en incomes, en assets minus liabilities and on fixed *assets such as* buildings. Under the new law, wealth and potential yield are taxed rather than actual yield or profits.

Few believe that the Sudanese will be inspired by a sense of duty to a Higher Autherity to change the habits of e lifetime and start paying tax. But assessment of visihle wealth rather than ef falsely-declared profits may indeed yield higher revenue

The short-term effect of the Islamic legislation has been to bring business in Sudan virtually to a halt, even though the low company taxes could bave been dangled before foreign investors. Uncertainty over the fiscal and monetary implications bas also upset the aid donors upon which Sudan is heavily dependent

Estimates of the revenue the new tax law will generate vary widely — from President Nimeiri's fanciful S£3bn (£1.6bn) to Dr Al Torabi's S£500m to S£600m.

Hardest hit is the Minister of Finance. He loses revenue from direct taxation of S£240m a year and has to prepare a budget based on income from the new laws by June 30, three months before the new law comes in.

Even worse, the new law will operate on a different fiscal year from the budget which shifts 10 days a year with the phases of the moon.

Sikhs kill former senior policeman

By K. K. Sharma in New Delhi

IN ONE of their boldest acts of terrorism since Punjab was plunged inte violence late last year. Sikh extremists gunned down a former senior police officer, Mr Bachan Singh, yesterday in broad daylight in one of the busiest streets of the Holy city of Amritsar.

This was the fifth attempt on the life of the distinguished police officer who is thought to have been on the "hit list" ef the terrorists because of his earlier attempts to interrogate extremists and organise action against them.

Mr Singh was travelling in a cycle rickshaw with his bodyguard and wife and daughter at the time of the murder, said to have been committed with a stengun by a group of terrorists. The bodyguard was also killed immediately while the wife and daughter died of their injuries later.

More acts of violence were reported from other parts ef the tronbled state as the tussle between the warring factions in the Akali Dal party of the Sikhs continued inside the Golden Temple, the headquarters of both moderates and extremists.

The factional wrangle is expected to lead to more violence and is being watched with increasing concern in New Delhi since it jeopardises the recent informal contacts the Government bas made with the Sikh leaders in search of a fermula to end the 20-menth-old agitation for greater rights for the Sikhs.

The contacts were thought to have made some progress but extremist action both inside the Golden Temple and ontside has nullified much of the gains. Officials in New Delhi are now waiting for the outcome of the efforts to persuade senior Sikh priests te intervene and settle the quarrels between the Akali leaders.

Canberra denies secret tests

By Michael Thompson-Noel in Sydney

AUSTRALIA has denied that secret atomic tests were conducted in South Australia in the 1960s. At the weekend, Mr John Burke, a former Royal Air Force technician, claimed that he had found the bodies of four aboriginals after one of three secret tests condncted at Maralinga, South Australia, in 1963.

A → B

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AMERICAN NEWS

Eagleburger pessimistic on nuclear arms control talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR LAWRENCE Eagleburger, the retiring U.S. Under-Secretary of State for Political Affairs, yesterday expressed pessimism over the prospects for U.S.-Soviet nuclear arms control talks this year and said it was most unlikely that President Ronald Reagan would visit Moscow for a summit meeting with the new Soviet leadership before November's U.S. elections.

Mr Eagleburger said that when Soviet teaders indicated, as they have, that they intended to do nothing to belp Mr Reagan's re-election, they almost certainly meant it. He was speaking at a ferewell hriefing for foreign journalists before leaving the number three post at the State Department to return to private life at the end of this week.

Mr Eagleburger said that be did not expect the Soviet Union to return to the interrupted Geneva negotiations, either on intermediate range (INF) or strategic nuclear weapons, this year—although he was marginally less pessimistic about the strategic talks (Start). Meanwhile, Moscow would also continue to he difficult on all other arms control issues, such as the new U.S. proposal for a chemical weapons ban, be said.

Moscow's policy was "wrong" Mr Eagleburger said. Soviet conduct had mada it very clear that Moscow was not interested in any arms control agreement, and West European public opinion waa increasingly recognising that it was the Soviet Union, not the U.S., that was standing in the way of progresa.

Mr Eagleburger returned to ona of his recent, and somewhat controversial themes—that tbere is a danger of a weakening in the transatlantic relationship in the years ahead if the U.S. and Western Europe do not confront a number of potentially divisive trends.

Weatern Europe remained "critical" to U.S. aecurity interests and would continue to do so, Mr Eagelburger stressed. The strains in the alliance would be "manageable" if both sides were prepared to talk about their differences and focus on the longer term future of the relationship

The trends that needed examination included the growing economic and political ties between the U.S. and the Pacific Basin countries; the danger that Western Europe would be left behind by the U.S. and Japan in the race to develop new bigh technologies; and the differing views over what kind of relationship the alliance should have with the Soviet Union.

Americans must understand that for West Europeans, detente had produced some bealthy changes, while Europeans needed to aee that the U.S., as a global power, had legitimately different views about the worldwide Soviet cballenge, be said. The U.S. must also "come to grips" with the need for a genuine two-way flow in defence procurement, a development to which the U.S. Congress was one of the main obstacles, be said.

Underwriters count storm cost

BY TERRY DODSWORTH IN NEW YORK

U.S. PROPERTY and casualty insurers are finding that claims from last March's East Coast storm is spraying red ink all over their underwriting books, creating another financial disaster

The storm, labelled catastrophe number 32 by the property claims service of the American Insurance Association, bit the Caroliners on March 27. Over a period of three days, it worked its way up the coastline as far as New York, sweeping away sand dunes and manmade shoreline protection alike and flooding bundreds of homes.

The worst damage was done in the Carolinas themselves, wbere losses came to an estimated $136.5m (£97.5m) as high winds, tornados end flooding swept away homes, communal property and vehicles. By the time it spent itself in a New York deluge, the damaga had risen to $217.5m.

First quarter results from some of the property and casualty companies indicate the damage catastrophe 32 has been wrecking on the accounts of an elready shaky industry. ITT, for example, said that its Hartford Insurance subsidiary was hit by record claims of $15m from the storm, one of the main factors in a 42 per cent decline in earnings.

Aetna Life and Casualty, one of the giants of the industry, similarly reported an enormous drop in its net profits, from $182m in the same quarter a year ago to $22m—and also cited severe weather conditions. Net catastrophe claims of $33m in the quarter compared with $6m in 1983.

Yet another of the really large companies, Cigna, has seen fit to warn the stock market to expect "significant first quarter losses" in its property and casualty division. Late March weather-related catastropbe claims totalled approximately $8m, it said.

In the wake of this tide of disaster, Wall Street analysts are once again revising down their earnings forecasts for the industry, while predicting that sooner or later a major collapse will force greater realism (i.e. higber prices) in insurance premiums.

Even so, there are some grounds for the industry's plea that it bas been hit by an exceptional run of bad luck. Only eight months ago, in August 1983, the property and casualty companies were battered by the second most costly disaster since records began in 1949—hurricana Alicia, whicb swept through southern Texas with devastating results on the towering glass palaces of Houston.

Damages from Alicia are reckoned to have totalled $675m, superseded only by hurricane Frederick in 1979, for which losses totalled $753m.

But at the end of last year, the industry also had to absorb the third largest disaster on record, when the spell of extraordinarily cold weather around Christmas put a blanket of snow over parts of Texas

The bill for the cold weather snap came to $585m, pluging the industry into its highest annuel losses claims by far—almost $2bn.

Contadora Group tries to salvage peace pact

PANAMA CITY — Foreign Ministers from nine Latin American countries met in Panama City yesterday to see if they could salvage a peace initiative for Central America.

The so-caled Contadora Group, formed by Panama, Mexico, Colombia and Venezuela, has failed to draw up a treaty for the countries of the troubled area inspite of three months of discussions by its working commission.

The treaty was to have presented at yesterday's full Contadora meeting to be attended by foreign ministers from El Salvador, Honduras, Nicaragua, Gualemala and Costa Rica.

Diplomats said a stumbling btock to a settlement was the demand by Nicaragun's nelghbonrs that lt reduces its military strengtb.

They added that the Contadora Gronp was considering sending representatives to the U.S. and Cuba in a bid to keep its peace movement alive.

Costa Ricam President Luis Alberto Monge, who is on a private visit to Panama, told reporters he favoured direct talks between Contadora and the U.S. and Cuba.

Renter

Power plant problem

After years of protests and construction delays, operators at the Diablo Canyon power plant on the central Californian coast started the nuclear reactor on Sunday and immediately encountered what regulators call an "unusual event"—spillage of sligbtly radioective water into the wrang tank, AP reports from San Luis Obispo.

Officials said there was no danger from the diversion of abont 1,000 gallons of cooling water into e bold-up tank inside the plant.

Finance minister tipped

Former Canadian Finance Minister Mr John Turner is well ahead in the race to replace Mr Pierre Trudean as Liberal leader, according to a survey of party delegates pnblished yesterday, Reuter reports from Toronto.

Beagle Channel negotiations run into difficulties

BY JIMMY BURNS IN BUENOS AIRES

NEGOTIATIONS between Argentina and Chile over the Beagle Channel are in difficulties again and tbe issue ia now unlikely to be settled by September, as was originally hoped.

According to bigh level government officials, the talks had heen making good progress but were set back by the sudden resignation ln March of Sr Hugo Gobbi, Argentina's key negotiator.

Sr Gobbi agreed in principte to give up Argentina's claim to all the disputed islands at the eastern end of the Beagle Channel soutb of Tierra del Fuego and to cede 12 miles of territorlal waters beyond their coastlines ln tbe Atlantic.

But both sides ln recent weeks are understood to have hardened their respective positions, witb Chile pressing for a greater extension of territorial waters off the islands and Argentina in turn denylng Santiago any exploitation rigbts beyond the new limits in the Atlantic, which were to have been under the jurisdiction of Buenos Aires.

An effort to hring both sides back towards a compromise formula was made during a secret meeting at the weekend between Sr Dante Caputo, Argentine forelgn minister, and his Chilean counterpart Sr Jaime del Valle. Both sides beld a mini summit during the conferenceof the Latin A merican trade association in Montevideo—the first bilaterat talks involving the two ministers since the two countries signed a joint declaration of peece in Rome on January 23.

Officials close to the talks said both ministers bad reiterated their support in principle for an early and peaceful settlement of the dispute, preferably before July, when the Vatican mediation between the two countries will almost certainly go into summer recess. However, Sr Caputo is understood to have expressed the limitations which mounting domestic - political problems place on his government in taking any major foreign policy initiative.

Argentina settles $30m debt in Bolivian initiative

BY OUR BUENOS AIRES CORRESPONDENT

ARGENTINA HAS agreed to immediate settlement of a $30m (£21.4m) debt it has witb Bolivia in outstanding payments for natural gas supplies as part of a broader effort to help the government of La Paz overcome its financial crisis.

The move comes amid unconfirmed reports that Argentina had asked Mexico, Peru and Venezuela to lend their joint support in the raising of further funds for the beleaguered presidency of Sr Hernan Siles Zuazo.

According to officials in Montevideo the initiative, apparently launched in the spirit of tbe recent joint Latin American $500m rescue package for Argentina, surfaced during a meeting of the Latin American trade association in the Uruguay capital on Friday at whicb numerous Latin American foreign ministers were present.

Until last week, Argentina was at least nine months behind ln payments for Bolivian gas because of an ongoing dispute over pricing and Buenos Aires' own financial problems.

Argentina's willingness to play a more direct role in international efforts to help its neighbour was expressed for tbe first time last Wednesday during a private meeting in Buenos Aires between President Raul Alfonsin and Sr Gustavo Fernandez, Bolivia's Forelgn Minister.

In an interview with the Financial Times et the weekend, Sr Fernandez neither confirmed nor denied Argentina's initiative at the Moolevldeo meeting, but stressed the critical political situation that his government was facing.

Bolivia is seeking renegotiation of $461m due to foreign commercial banks

Surviving 480% inflation: it takes a shrewd, foxy mind

Jimmy Burns in Buenos Aires on the devious ways they do it

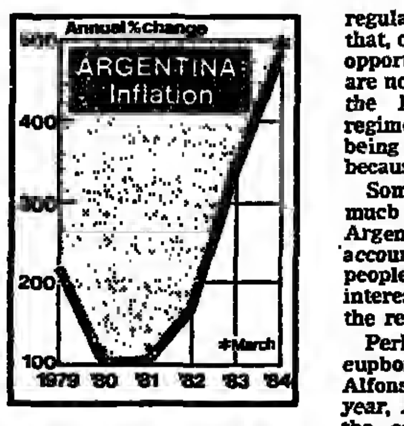
ROSA MARTINEZ, a 56-year-old housewife from one of the poorer working class suburbs of Buenos Aires, switched her vote last October to support Sr Raul Alfonsin, Argentina's new civilian President. Since then, she has joined the 30 per cent of the population which is finding it hard to pay the family bills.

Sra Martinez works as a domestic servant for ten hours a day, five days a week. Her monthly take-home pay is 4,000 pesos (£80). According to Fide, an Argentine economic research group, a family of two adults and two children now needs over 13,000 pesos a month to live, excluding their transport costs.

"I've worked all my life and never had a problem. Now it's different. Before, prices used to go up a few cents, now its 10, 20, 30 pesos all of a sudden. Once you had some idea what it was all worth. Now it takes you by surprise," Srt Martinez said.

Living with inflation in Argentina, which reached an annual rate of nearly 480 per cent in March, is not easy. Many low income workers like Sra Martinez survive on credit and trying to short circuit the system. Earlier this year, for instance, when butchers raised their prices by more than 100 per cent, she visited the meat packers to see if there were any bargain leftovers.

Higher up the social scale, the methods of dealing with inflation range from using credit cards, timing shopping sprees carefully so the bill will not need to be paid for at least a month, to putting money in index-linked deposit accounts and stocks and shares. More dubious means include under-invoicing, or overinvoicing combined with the dexterous manipulation of the black market exchange rate and inter-company lending outside official bank rates.



"The majority of survival techniques are devious and speculative and nothing to be proud of. It takes a shrewd, foxy and imaginative mind to keep afloat," commented one local businessman.

Exchange controls and heavily regulated interest rates mean that, on the surface at least, the opportunities for speculation are not as great as they were in the heyday of the military regime. But fortunes are still being made in spite of, and because of, inflation.

Some bankers believe that as much as $28bn is still held by Argentines in foreign bank accounts, and a number of people live royally on the interest on their deposits and the rents from their properties.

Perhaps because of the euphoria which surrounded Sr Alfonsin's election win last year, Argentina's world title of the country with the highest inflation has been harder to excuse recently. In each of the first three months since Sr Alfonsin's December inauguration, the cost of living has outpaced official Government forecasts by an average of 10 percentage points.

Announcing the March increase in the consumer price index of 20 percentage points, Sr Bernardo Grinspun, the Economy Minister, suggested that the main upward pressure on prices had been generous wage settlements in recent weeks.

He may have been trying to prepare public opinion for the wage cuts which could follow an agreement with the International Monetary Fund over the rescheduling of Argentina's enormous foreign debt, for the Opposition Peronist party has subjected Sr Grinspun to a grilling on every aspect of the foreign debt negotiation.

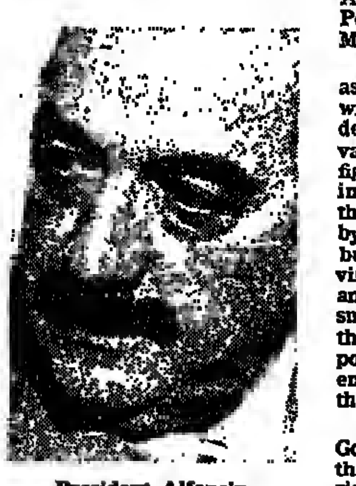
The attacks are particularly strong whenever the Government has seemed to be drifting from its bold electoral promise of economic expansion and financial sovereignty.

The unions have strongly resisted the suggestion that they are the culprits. They claim that wage increases in excess of increases in productivity have been the result of inflation, rather that its cause. Pay increases in the present wage round are ranging from 30 to 100 per cent.

The Government claims that salaries in both the private and state sectors have increased by more than 3 per cent in real terms in the first quarter (more than half of the promised target for the year) but this must be qualified.

While wage settlements have been on a sharp upward curve since the last days of the military regime, they have not recovered the ground lost following the 1976 coup, when incomes were savagely slashed.

The policy pursued until recently by the Government has been to allow wages to keep pace with inflation but only retroactively. Thus, with prices tending to outstrip Government forecasts by dramatic margins, most low income earners have experienced several weeks in which their salaries have decreased, in real terms.



President Alfonsin

The need for some national consensus on wages to combat inflation is one of the considerations behind the announcement over the weekend of the invitation to Sra Maria Estela Martinez de Peron, head of the Peronist Party, to return from her exile in Spain. She was asked to lead talks between the Alfonsin Government and the Peronists, due to begin on May 7.

One of the most difficult aspects in Government dealings with the trade unions is the degree of scepticism over the validity of official inflation figures. The consumer price index does not accurately reflect the many distortions created by the Argentine way of doing business. Price controls are virtually unenforceable against an army of middlemen and small scale retail outlets. Furthermore, restrictions on imports to save foreign exchange encourage scarcity and bring in the black-marketeers.

Lack of public faith in the Government's ability to cope in this environment itself fuels rises in the inflation rate. Products are snapped up by people who want to beat the next price rise, which in turn clogs the distribution system and causes speculation on scarcity.

The Government has consistently announced since taking office that it will tackle inflation by cutting back the budget deficit from last year's 20 per cent of gross domestic product. So far there has been no coherent economic programme to back this. No one doubts that such austerity is necessary, but they are beginning to wonder whether the Government has the capacity to live up to its pledge.

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WORLD TRADE NEWS

Washington team warns Singapore over copyright

BY CHRIS SHERWELL IN SINGAPORE

A HIGH-LEVEL U.S. delegation campaigning against counterfeiting and record piracy yesterday warned that Singapore could be refused trade preferences if it failed to give adequate assurances over copyright protection.

Representatives of the team, in Singapore on the second and final leg of an Asian tour, also said they were pleased with assurances from Taiwan over proposed copyright legislation due to come into force in June.

The delegation comprises officials from the U.S. Commerce Department, State Department and Copyright Office, interested members of the U.S. Congress and representatives of the sound recording, motion picture, book publishing and computer software industries.

Mr Stanley Gortikov, representing the U.S. sound-recording industry, said any granting of trade preferences to Singapore under legislation now pending before Congress should be conditional on copyright protection by Singapore—meaning new legislation properly enforced.

The U.S. delegation is due to meet a Singapore Government team tomorrow and Thursday.

Singapore produces countless blank cassette tapes and exports 50m to 70m pre-recorded cassette tapes a year.

The estimated loss to the U.S. recording industry—composers, songwriters, performers and record companies—is put at $60m (£42m) a year, and only slightly less for the British and European industries.

In Taiwan, said Mr Gortikov, the U.S. team called attention to some deficiencies in the text of Taiwan's proposed copyright law. "The Taiwanese were sympathetic to this. Their response was very positive," he said.

The delegation also drew encouragement from Taiwanese newspaper editorials supporting their view that "intellectual property" — trademarks, patents and copyright—should be closely protected.

Taiwan is widely regarded as the world's leading producer of counterfeit products including books, perfume and computers.

Its new copyright legislation promises minimum jail sentences for offenders, a system which already operates in Hong Kong and Malaysia.

Singapore's recording pirates face only fines of a few hundred dollars after difficult private prosecutions by aggrieved parties.

Industry and unions are increasing pressure on the White House, **Stewart Fleming** writes

U.S. steel pushes for greater protection

A *RENEWED* surge in steel imports in the first three months of this year has set the stage for the U.S. steel industry and its trade unions to redouble their efforts to force the Reagan Administration to provide greater protection.

"Foreign steel steals jobs" is the banner under which the industry is marching, and in an election year the campaign is already paying off. The Democratic Party has seized on the increased competitiveness of foreign products as a symbol of the Reagan Administration's alleged economic failures.

Earlier this month the Commerce Department ruled that countervailing duties should be imposed on steel imports from Brazil and Argentina and signalled that Mexico's steel imports were also breaching U.S. trade laws.

Within two weeks, the Administration is already in a position to claim that this tough ruling promises to turn the tide of Third World imports and that more extreme measures will not be needed.

As it announced, the ruling the Administration disclosed that U.S. Steel, which brought the unfair trade suits late last year, was withdrawing the one against Mexico, following Mexico's decision to impose "voluntary" limits on its exports of certain products to the U.S.

Last week Brazil announced that it too was voluntarily curbing its exports to the U.S. after its proposed steel industry taxation scheme was rejected as a method of offsetting the domestic subsidies given to steel producers.

U.S. Steel has yet to announce whether or not it will withdraw its case against Brazil too. About 36 cases alleging unfair trade are still pending.

The curbs will take effect today, and are the result finally of a letter to Mr Malcolm Baldridge, the U.S. Commerce Secretary, from Sr Ernane Galveas, the Brazilian Finance Minister. Sr Galveas said he hoped the U.S. would withdraw all the anti-dumping and subsidy suits filed against Brazilian steel products.

South Africa is reported to be in the throes of negotiating a voluntary restraint agreement, and there are even suggestions in Washington that some Third World steel producers are thinking of loosely co-ordinating their export restraint procedures.

From the steel industry's point of view, it can be argued that political pressure alone has resulted in a dramatic expansion in the range of countries which, along with the European Economic Community and Japan, have agreed to steel export restraint.

The significance of the rising barriers to steel imports was underlined last week when Nippon Kokan, the second largest Japanese steel manufacturer, announced that it wanted to make the biggest foreign direct investment ever in the U.S. steel industry.

It is seeking to purchase 50 per cent of National Intergroup's steel subsidiary for $292m (£208m).

For many of the Third World Manufacturers, the stakes are even higher.

Countries such as Brazil and Mexico desperately need to run foreign trade surpluses and earn foreign exchange to service their foreign debt.

Growing U.S. restraints on their imports will inevitably tend to make them press more vigorously for concessions on their debt repayments from bankers and governments.

Despite the successes which the U.S. industry has recorded relatively early in its anti-import campaign, some Congressional trade experts maintain that if the Reagan Administration believes that the industry will now turn down the heat.

The House of Representatives last month held hearings on the Fair Trade in Steel Bill, and although the hearings were perceived to go less well for the industry than some feared, it is widely accepted that steel will be the most troublesome trade issue pending in Congress this year.

The Bill is not expected to get through the Congress and may not even pass the House, but it has strong support, with over 140 representatives jointly *sponsoring it.*

"There is strong Congressional frustration with the General Agreement on Tariffs and Trade . . . and the Steel Bill is a vehicle for expressing these feelings," one staff official commented.

Alongside the suits alleging unfair trade practice, the steel quota Bill and proposed trade reform legislation which could affect the steel industry, Bethlehem Steel is also pursuing a broadly-based trade complaint which could come up for Presidential action in the middle of the election *campaign* in September.

It would put sweeping curbs on foreign steel imports. As one official put it: "The steel industry decided to go for broke this year. It looked at the situation, saw it was an election year and said 'This is our chance.'"

In the industry's eyes, the surge in Third World imports was also, by putting pressure on prices, curbing the recovery in profits which is now under way. The steel industry lost a total of about $6bn in 1982 and 1983.

U.S. STEEL IMPORTS

(m tons) (% of share)

	Japan		EEC		Other*		Total
1975	5.8	(48.6)	4.1	(34.3)	1.0	(8.7)	12.0
1976	7.98	(55.9)	3.2	(22.3)	1.8	(12.7)	14.3
1977	7.8	(40.5)	6.8	(35.4)	2.8	(14.3)	19.3
1978	6.5	(30.7)	7.5	(35.3)	4.8	(22.8)	21.1
1979	6.3	(36.2)	5.4	(30.9)	3.4	(19.5)	17.5
1980	6.0	(38.8)	3.9	(25.1)	2.1	(13.8)	15.5
1981	6.2	(31.3)	6.4	(32.6)	4.3	(21.6)	19.9
1982	5.2	(31.0)	5.6	(33.0)	4.0	(24.9)	16.7
1983	4.2	(24.7)	4.1	(24.0)	6.3	(37.0)	17.0

* Mainly newly industrialised countries, excluding Canada, which had a 14 per cent market share in 1983.

Source: American Iron and Steel Institute

Saudis reopen bidding for Asir power plant

By Finn Barre in Riyadh

SAUDI ARABIA has once again reopened bidding for its Asir region desalination and power plant. The plant has been tendered three times in the past, but tight finances forced the rejection of all three series of bids.

The latest set of bids had been opened on October 11 1983. Hyundai of Korea submitted a bid of $160m (£114m) for the desalination unit. Daelim of Korea and Westinghouse of the U.S. submitted a bid of $102m for the power-generating station.

Saudi Arabia's Saline Water Conversion Corporation dismissed the bids because they were considered too high. New bids on the desalination plant are due on May 29. Bids on the power generator are due on June 2.

The Asir plant was originally supposed to process 25m gallons of water a day and generate 360 MW, but the plant was scaled down to meet budget constraints.

The new plant design is supposed to generate 120 MW for purifying 20m gallons a day of water using the multi-stage flash distillation process.

Ankara strengthens trade links with Iran

By Francis Ghiles, recently in Ankara

THE MIDDLE EAST accounted for 46 per cent of Turkish exports last year as Iran emerged as both its major export market and supplier. The value of Turkish exports to Iran increased from $791m to just over $1bn, while imports moved from $747m to $1.2bn.

Turkish companies report that trade with Iran is holding up very well this year. Links between the two countries are expected to be strengthened when Mr Turgut Ozal, the Turkish Prime Minister, visits Tehran later this week.

Iran pays for its Turkish imports in oil and Mr Mohammed Gharazi, the Iranian Oil Minister, said last week that Turkey had requested an additional 1m tons a year of crude to bring its total crude imports from Iran to 6m tons.

Turkish exports to Iraq Iran's adversary in the Gulf war, fell by nearly half to $310m last year, due to Iraq's shortage of foreign exchange. Imports also declined, by nearly $500m to $946m, making Iraq Turkey's third largest trading partner after Iran and West Germany. Turkish exports to Saudi Arabia were *virtually* unchanged at $366m, while exports to Libya declined.

Iraq recently asked that the 50 per cent cash payment it makes on receipt of Turkish imports be reduced to 25 per cent, suggesting that trade is unlikely to increase this year.

Turkey is experiencing some difficulty with Libya, where arrears of $400m have built up on orders worth an estimated $8.5bn. Libya recently suggested Turkey should take a further 500,000 tons of oil this year, on top of the 3m tons planned, but Turkey is already awash with bartered Iraqi and Iranian oil and has no storage capacity left. The Libyan oil is unsuitable for its refineries, and one contractor said it is being sold at a loss.

Trade with Saudi Arabia poses no problem, and the Saudi Arabian authorities are pressing the Turks to send more expatriate workers as they are thought to be less of a security threat than some workers for other countries.

Turkish trade with Tunisia is growing — exports include wheat, cement and other agricultural products.

British group in talks on new airport for China

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRPORTS International, jointly owned by British Airports Authority and International Aeradio, is discussing with the Chinese Civil Aviation authorities the possibility of developing a new airport at Shenzhen, in China close to Hong Kong.

If eventually confirmed, the deal would involve outlays of several hundred million dollars on the financing, design, construction and initial operation of the airport for regional purposes, although it could eventually be expanded to major international status.

The talks so far between the Civil Aviation Administration of China (responsible for all Chinese civil aviation), the Shenzhen authorities, and BAI itself, have lasted several months, and further detailed proposals will be presented by BAI next month.

Mr Gao Lin, deputy general manager of the Shenzhen Special Economic Zone Development Corporation, is reported from Shenzhen as saying that it was possible that a letter of intent to establish a joint venture will be signed later this year.

Initially, the Shenzhen airport is not being considered as a substitute for Hong Kong's Kai Tak airport, although in the longer term such a possibility cannot be excluded.

Some time ago, the Hong Kong civil aviation authorities considered a new airport for Hong Kong on reclaimed land at Chek Lap Kok, near Lantau Island in the New Territories, but the project was shelved for both cost and technical reasons.

Oslo intervenes over bid for offshore order

BY FAY GJESTER IN OSLO

NORWAY'S conservative-led coalition is being strongly criticised, both at home and abroad, for its latest intervention on behalf of the Norwegian offshore fabricating company.

Last week Phillips Petroleum of the U.S. yielded to strong oil Ministry pressure and agreed to place an order for a platform "jacket" (supporting frame) for its Norwegian Ekofisk field with the Aker Verdal platform building yard, despite its previously declared preference for a Dutch fabricator—Heerema—which had submitted a lower bid.

The jacket, worth an estimated £20m, will support a platform deck with the equipment needed to inject water into the field as part of a scheme to prolong its producing life.

In the final bargaining round, Aker Verdal was given a chance to revise its first tender.

This narrowed the gap between its bid and the Dutch company's from about 30 per cent to 5-15 per cent, depending on interpretation of the figures. Norsk Hydro, Phillips' Norwegian partner on Ekofisk, had joined with the Ministry to argue Aker's case.

Learning, on Thursday, that Heerema was about to lose the order, the Dutch authorities approached the Norwegian Embassy in The Hague for details.

When they were told that Aker had, in fact, got the contract, they said they would be lodging a formal protest soon. This could come tomorrow—the first working day in Holland this week.

Verdal is the Aker group yard specially designed to produce large offshore structures. With very thin order books, it would have to lay off a large number of its 900-strong labour force if it had lost the jacket contract.

In an area of Norway where unemployment is already above the national average, this would have been a serious political liability for the Government.

Nevertheless, many Norwegians have criticised the Government's intervention, among them the Norwegian Shipowners' Association.

Norway's Oil Minister, Mr Kare Kristiansen, rejects the charge of protectionism, claiming that Phillips decided "of its own free will" to place the order in Norway.

Australian vehicle imports fall 6%

Australian vehicle imports fell 6 per cent in March from February, according to figures released by the Australian Bureau of Statistics, AP-DJ reports from Sydney. The bureau said Australia imported 6,234 vehicles during the month, down from 6,640 the month before and 9,439 a year earlier. The value of the imports fell to A$32.5m (£20.3m) from A$33.5m a month earlier and A$45.1m a year earlier. AP-DJ

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FARMER AND DARK, Architects, of London SW1S, have appointed Andrzej Kuzeli as an Associate of the firm.

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UK NEWS

Steel plant faces closure as victim of pits dispute

BY OUR INDUSTRIAL STAFF

RAVENSCRAIG steel works in Central Scotland and a nearby pit face closure with the possible loss of more than 5,000 jobs after a decision by miners' union leaders to reject an appeal from steelworkers to increase coal supplies to the works.

Supplies of coking coal have been reduced to one trainload a day during the miners' industrial action over pay and pit closures.

The reduced coal levels have threatened the steel plant's blast-furnaces and coke ovens. Steel union leaders have said they need at least two trainloads of coal a day to avoid expensive damage to the plant.

Steel unions and the British Steel Corporation said yesterday that the plant which employs 4,000 could no longer operate safely. Mr Malcolm Edwards, the National Coal Board's director of marketing, said that the Polkemmet pit in West Lothian, which sends all its output to Ravenscraig, had no other market and could close with the loss of 1,300 jobs.

Ravenscraig's closure would also affect all other Scottish pits, since it consumed about 30 per cent of all Scotland's coal-fired electricity, Mr Edwards said.

He added that the two other big inland steelworks – at Scunthorpe and Llanwern – could turn to overseas suppliers if the miners refused to allow supplies in.

Mineworkers in Nottinghamshire who have refused to strike until a national ballot is held, will hold a rally early today outside the union's area headquarters in Mansfield.

Up to 12,000 miners are expected to join the protest. Mr Peter Heathfield, general secretary of the National Union of Mineworkers, said he believed the coal board had helped to organise the rally. He said it "would do no good" to the tentative moves between the union and the board on agreeing common ground to end the eight-week old dispute.

The board said that 51 pits worked yesterday, one fewer than on Friday – but that was due to necessary maintenance work being carried out. The numbers attending work in Nottinghamshire had increased, it said.

The Lancashire miners' executive, due to meet yesterday to decide on the future of the dispute, found its Bolton headquarters occupied by striking miners. Mr Sid Vincent, the area secretary, issued instructions to the miners not to cross picket lines – then postponed the executive "for a cooling off period."

Only two of the county's seven pits are on strike, and the miners occupying the headquarters said they feared for a vote against strike action.

The executive of the Union of Communications Workers (UCW) voted yesterday to support the miners and to call out its members in Scotland on strike on May 9.

Loophole may disguise political donations

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT last night admitted that under current legislation it does not know how much money foreign companies give to British political parties.

Mr Gordon Brown, a Labour MP, last week tabled a number of questions to the Department of Trade and Industry about the declaration of donations to British political parties by foreign-owned and foreign-registered companies.

He believes that there is at present a loophole in the law for foreign-registered companies which could be disguising the scale of corporate political contributions.

The 1967 Companies Act requires British-registered companies to declare political and charitable donations in their annual reports.

In his replies last night, Mr Alex Fletcher, the Under-Secretary for Corporate and Consumer Affairs, said: "The Companies Acts, and Section 19 of the 1967 Act in particular, apply to all British-registered companies, regardless of the nationality of any of their shareholders."

He added that information was not compiled separately for foreign-owned companies and could not be obtained without disproportionate expense.

In addition, he pointed out that "foreign-registered companies without a place of business in the UK are not subject to the Acts."

Mr Fletcher said that on the information available to him he was satisfied with the operation of the law as it stands.

A possible loophole in respect of foreign-registered companies arises because the disclosure of information has only to be made by companies within British jurisdiction. British political parties receiving corporate money do not have to identify the source.

It is unclear how large any donations by foreign-registered companies without a UK place of business might be, though the view of those who have analysed political finances is that such donations are unlikely to be significant.

Call to delay BA sale

By Michael Donne, Aerospace Correspondent

PRIVATISATION of British Airways (BA), the state-owned airline, should be delayed to give time for the other changes being planned by the Government in the structure of UK civil aviation to take effect.

This was urged yesterday by Sir Adam Thomson, chairman of British Caledonian Airways (BCal), Britain's largest independent airline. Sir Adam has already urged the Government to pass over to BCal a substantial section of BA routes as part of a review of aviation policy.

Sir Adam, speaking in Geneva after a demonstration flight of BCal's A-310 Airbus, said recent Civil Aviation Authority (CAA) proposals for restructuring the UK air transport industry were so important as to warrant consideration of a delay in the privatisation plans.

Privatisation of BA is set to become effective in the spring of next year. Many in the air transport industry believe that the speed at which the Government is moving towards privatisation is too rapid, and this view is shared by many analysts in the City of London.

While many potential investors would be ready to subscribe for shares in BA if it were privatised as it now stands, it is felt that some investors might be averse to doing so if the airline were in any way broken up with the passing over of routes and aircraft to BCal. This is what the civil aviation policy review is designed to clarify.

Sir Adam also revealed that he was planning a new initiative on European air routes to try to reduce fares and increase competition.

He said the airline was preparing proposals for the UK Government, the European Commission, the European Parliament and the European Civil Aviation Conference, to allow more opportunity for competing airlines, less regulation and more simplified fare structures.

"We want these things not through aero-political anarchy, but through a co-ordinated policy which is good for the countries of Europe, good for their airlines, and good for the European consumer. Europe is now ready for a more open regime with new initiatives in respect of market entry, traffic share and pricing," he said.

He believed that more airlines should be allowed on main line air routes.

Sterling's fall brings petrol price rise

THE first move in what could be a round of petrol price rises came yesterday as Shell said that it was raising the average price of four star petrol from 184.1p to 187.8p a gallon at its self-service filling stations.

Similar rises took effect from midnight on other grades of petrol and diesel as subsidies to retailers were reduced.

BP said later that the question of a rise in its prices was under consideration and Esso was also looking at the development.

Shell said the fall in the value of sterling against the dollar – in which crude oil is priced – had increased its raw material costs by more than 9 per cent since last July. This had put severe pressure on the company's profitability.

It added that since July 1983, when prices were last increased, petrol had fallen in price at most garages by 4p a gallon in response to competitive pressures.

Had it not been for the 4.5p per gallon increase in duty imposed by May's budget, prices would still be slightly lower than at the end of last July, even with the latest rise.

● THE EEC should allow freer access to its markets for agricultural products from developing countries who sign the Lomé Convention, and streamline its own bureaucratic procedures governing aid and trade relations with them.

These are two of the key recommendations of the House of Lords Select Committee on the European Communities, in a report on the latest negotiations for a new Lomé agreement, linking the EEC with more than 60 Third World countries in Africa, the Caribbean and Pacific (ACP) regions.

● THE FINAL curtain has come down on Mettoy, one of the last of the major British toy makers, with the sale by the receiver of the Corgi Engineering die casting arm.

A consortium of European and American businessmen and a new management team headed by Mr Roy Bates, former Mettoy financial director, paid between £100,000 and £500,000. A new company, Technicor, resumed operations yesterday at Corgi's Northampton factory.

THE GOVERNMENT is likely to sell to the private sector nurses' and other National Health Service accommodation which is unoccupied. The sale, which could raise £200m, was signalled by Mr Norman Fowler, Social Services Secretary, in a speech to the Royal College of Nursing.

● BUDGET measures imposing 15 per cent VAT on most take-away foods take effect today. The take-home food industry fears that sales – worth £1.3bn a year – could drop by up to 20 per cent as a result of the tax.

● TWO MEN are recovering in a London hospital after a double operation which gave a German heart to an English patient and an English heart to a Dutchman who became Harefield Hospital's 100th transplant patient.

● THE Terex Corporation plant in Scotland which was taken over by General Motors in March, has won an £11.3m order from India for earthmoving equipment.

● BIBBY LINE, one of Britain's oldest shipping groups, has switched the registry of four of its ships to Hong Kong to save on crew costs. Bibby will be able to employ cheaper Asian crews while still flying the British merchant flag.

● RACAL-REDAC, the computer-aided design offshoot of Racal, the UK electronics group, has set up a personal computer products division in the U.S.

Forecast warns of growth below target

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE Government is unlikely to have scope for tax cuts before 1987 if it sticks to its current borrowing targets, says Cambridge Econometrics in its latest, rather gloomy, forecast for the UK economy.

The forecasters believe that the economy will grow at a slower rate than the 2¼ per cent a year assumed by the Treasury for the next five-year period of its strategy.

In spite of the generally improving economic background, they expect unemployment to go on rising to a peak of 3.7m (including school-leavers) by the end of the decade.

Cambridge Econometrics, the commercial arm of the Cambridge Growth Project sponsored by the university, expects economic activity to decelerate after this year, with growth falling to about 1.5 per cent a year until the end of the decade.

An important consequence of this slow growth forecast is that the Government will not be able to hit the borrowing targets set out in its medium-term strategy if it cuts taxes.

The forecasters believe that the cost in terms of unemployment of aiming for zero inflation would probably be regarded as prohibitive. They say: "The most likely outcome of present policies is a stable rate of inflation (5.5 to 6.5 per cent) with static unemployment."

The group believes it is unlikely that the annual rate of growth of earnings will slow to much below 7 per cent. Consequently, continued fairly rapid growth of productivity would be needed to hold price inflation to its present level.

After this year, growth in the UK would be limited by a slowdown in world economic activity.

The report says: "Growth in the Organisation for Economic Co-operation and Development area is forecast to peak in 1984 and decelerate through 1985 and 1986 as tight anti-inflationary policies are maintained throughout Europe."

"This slow expansion of overseas markets, together with a forecast upturn in domestic inflation, act to depress domestic demand and GDP growth is expected to average only 1.2 per cent between 1984 and 1987."

However, the group believes that prospects will improve in the longer term as the world economy moves into its next cyclical upswing and relatively low inflation rates become accepted norm.

In the period 1987 to 1993, output is projected to rise by 1.7 per cent a year and manufacturing output by 1.8 per cent a year.

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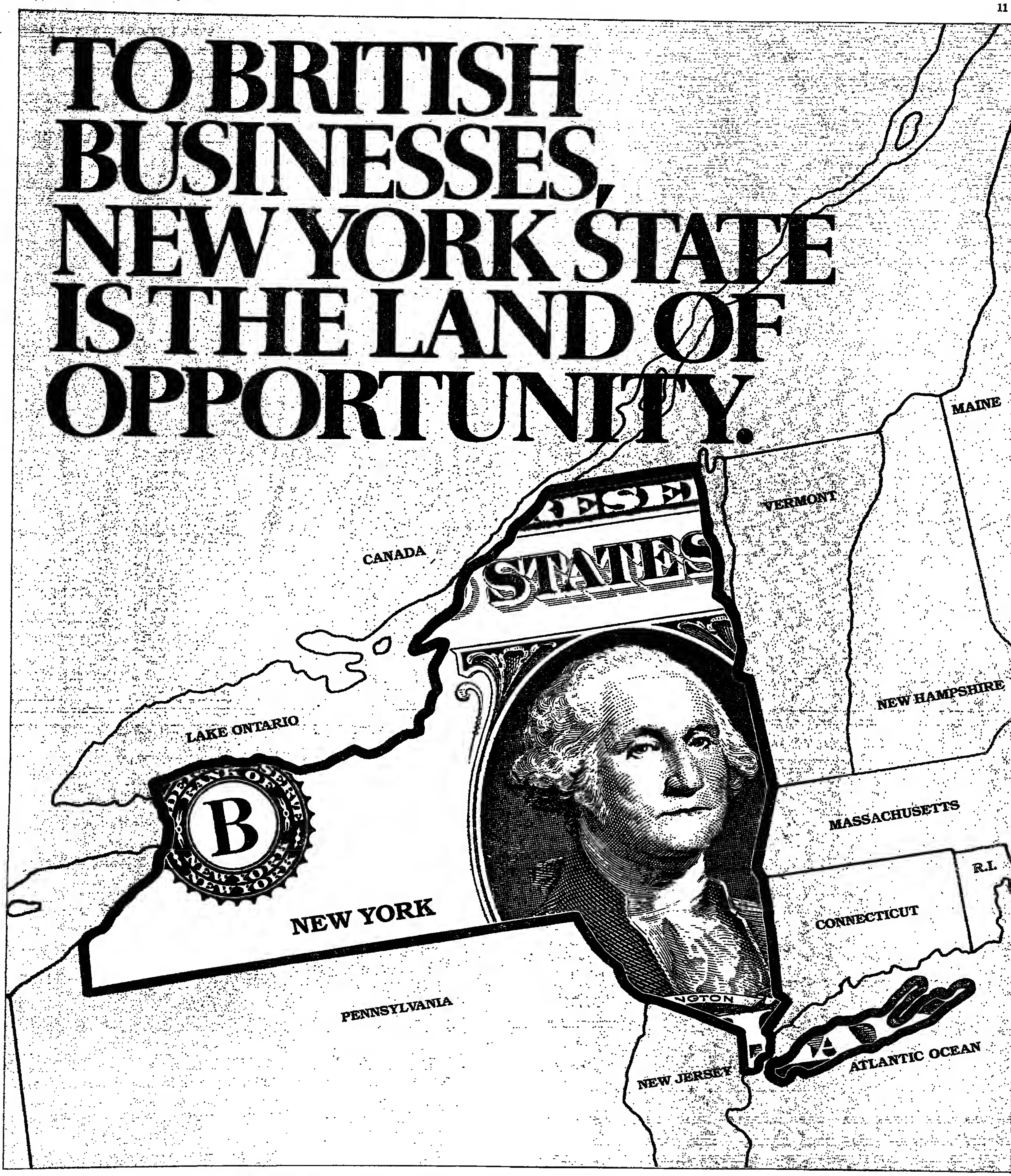

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THE MANAGEMENT PAGE : Small Business

EDITED BY CHRISTOPHER LORENZ

A peripatetic pool of consultants

BY TIM DICKSON

"GREY hairs can be important in a small company," says Peter Thomson enthusiastically. "They help build up confidence and trust among customers."

White-headed Thomson, at 51, has a vested interest in spreading this gospel. But over the past year he has also convinced Oakland Management Holdings, a small venture capital outfit in Hungerford, Berkshire, that companies in its portfolio have something to gain from his experience.

Oakland, which manages a £4m chunk of the British Rail Pension Fund as well as the £2m Alpha Business Expansion Fund, sees Thomson and a pool of about 70 other self-employed consultants on its books (mostly former senior business executives) as important tools in its investment strategy. The group claims that it helps the management company m be more closely involved with businesses backed and contribute to Oakland's "hands on" style.

So far 20 of these "associates" (as they are called) have helped out in one way or another and 10, including Thomson, have been appointed to executive positions in companies in which Oakland investments have been made.

Oakland's managing director, John Hall Craggs, eschews the term "non-executive" directors. "That conjures up the image of retired admirals looking for a comfortable salary and a once a month board meeting."

Thomson, by contrast, can look back on spells at ICI and Courtaulds, where he was group director of marketing (not on the main board) in the mid-1970s before joining as managing director the Antocks Lairn office furniture subsidiary of Wagon Industrial Holdings, a smallish publicly quoted concern. Two years ago he branched out into consultancy "to do more of the things I was good at. Being a managing director can be rather boring."

Thomson is now involved, to a varying extent, with three of Oakland's investments — Servicon Dynamics, Thermal Imaging, and Cynosure Medical Systems — but most of his time (two days a week) is spent on Bodmin, Cornwall-based, Thermal Imaging.

Set up in 1975 by electronics engineer John Taylor, the company has developed advanced television cameras which detect thermal patterns rather than light. (They can, for example, "see" someone coming in the dark). Says Thomson: "The product is technically very good but Thermal has basically been meeting individual customers' needs rather than exploiting the market place. It has been too reactive."

Along with Taylor, who readily admits he needed a marketing man, Thomson has devised a strategy which will encompass both the "bread and butter" business and more exciting projects "where we see a big potential pay off." He has put together a business plan which helped raise more cash, revamped the marketing literature and, as he puts it, "done the ambassadorial bit" calling on customers to assure them of Thermal's stability. "I am used to dealing with executives in big organisations, and this experience is worth

Peter Thomson: "doing tha ambassadorial bit"

exploiting."

Thomson describes his contribution at Cheltenham-based Servicon, which makes energy control systems for hotels, as "a mixture of counselling and monitoring." At Cynosure, which is much newer than the other two and which has just completed development of an imaging unit for detecting the position of cancer tumours, he has spent time negotiating with potential distributors.

"Associates" like himself, however, must guard against suspicion by the owners of the company that "we have been sent in by the institutional 'moneybags' to keep an eye on how the capital is being spent." Successful relationships will only develop, moreover, if redundant or unemployed executives tempted into counselling "realise they are dealing with someone else's business" and proprietors "have some regard for the outsider's experience."

In brief . . .

OPPORTUNITIES TO meet venture capitalists and find out about venture capital are in plentiful supply over the next couple of months. Leeds is the venue for today's first seminar in a series en How to Raise Venture Capital, organised by Venture Economics and accountants Peat, Marwick Mitchell — it costs £75 for the day. Further events are planned for Glasgow and Bristol and details are available from David Carter ef Peat Marwick. Tel: 01-236 8000.

Business Research International (57-61 Mortimer Street, London W1, Tel: 01-637 4383) has organised what it calls an "interactive" venture capital clinic at the London Press Centre on Friday May 11. The full cost is £250, plus VAT, but if you describe yourself as an entrepreneur you should qualify for the "special entrepreneur rate" of £199 plus VAT (even further discounts may be considered).

On June 29 and 30 a Venture Capital Exchange is to be held at the Glaziers Hall, London Bridge. Venture capital organisations and Business Expansion Scheme funds will be among the exhibitors, while arrangements will be made for entrepreneurs to discuss their plans with potential backers in meeting rooms. Information from Financial & Business Exhibitions, 61 Grosvenor Street, London W1. Tel: 01-493 0000.

T. D.

When the taxman cometh

AN ADVISORY service for small businesses that are faced with investigation from the tax authorities has been launched by Hinkley-based IRPC Legal and Personnel Insurance Services, a subsidiary of IRPC, the industrial relations and personnel consultants.

The company already provides aid to the National Federation of Self-Employed and Small Businesses and the new service will attempt to give priority to providing advice and guidance on tax matters.

IRPC claims that nearly 70,000 in-depth tax investigations are made by the Inland Revenue each year, as well as some 400,000 VAT control visits.

The service, which will be staffed by ex-Revenue and VAT officers, will have four main elements:

● a guidance manual to assist businesses in maintaining correct accounting records;

● a service aimed at advising company accountants on the most effective means of presenting a case in the event of an investigation or VAT assessment;

● representation where necessary at Revenue Commissioners hearings or VAT tribunals;

● insurance cover up to £25,000 of professional fees incurred as the result of a response to demands from the tax authorities.

Steven Manton, managing director of IRPC Legal and Personnel Insurance Services, reckons that small businesses are more likely to face problems with the tax authorities than they are with employment legislation, another area in which IRPC provides legal advice.

The company also claims that the new service will be welcomed by accountants who will benefit from the insurance cover. "Action by the tax authorities can result in the demise of a business, leaving unprofessional fees unpaid. Our service will cover them against this possibility," says Manton.

Costs of the service range from £175 per year for smaller companies of up to 10 employees up to £375 per year for a company with 250 workers.

David Hellier

Two examples of the potential for exploiting the computer market

Paul Wright (left) and Geoff Smith: aiming to be one in 22,000

Responding to the lure of the U.S.

IN JUST 18 months since it switched from selling hardware to developing software programmes, a small Suffolk-based firm has developed to the point where it is poised to launch itself in the U.S.

Blyth Computers will sell its own software through Organisational Software, which it has just formed in the U.S. and which is headed by Don Kurtz, an ex-marketing director at Atari, the video games and home computer subsidiary of Warner Communications. Organisational Software—based in San Carlos, California—will be 60 per cent owned by Blyth, with Kurtz owning 10 per cent and Mike Kenny, one of Blyth's distributors in South Africa, owning a similar stake.

Paul Wright, the Blyth director who started the company with Geoff Smith five years ago, believes that the U.S. company will be able at least to equal Blyth's turnover in the UK and Europe. This year Blyth hopes to sell £1.5m worth of software in Europe and £0.5m in the UK—with just 12 full-time employees.

Branching into the American market, where there are some 22,000 software houses, according to Blyth's sales and marketing manager, Peter Warner, is a risky business." But it's also very important for our future success," says Warner, "because success there gives you a stamp of approval."

Blyth decided to enter the market after considering the results of some market research done for it by a U.S. company. The directors also visited the U.S. themselves last June and gained assistance from the British Overseas Trade Board.

Warner is confident about Blyth's future in the U.S. despite the fact that, as he says, it's a bit like taking coals to Newcastle. "British software has a good reputation in the U.S. We have a common tongue and it's a vast market," he says.

Warner hopes that success will emanate from the company's suite of three information management programmes, called Omnis 1, Omnis 2 and Omnis 3, launched last week.

The programmes are of progressive sophistication. "All three are compatible and you can gear up to whatever level you want," says Wright.

Omnis 1, which costs about £150, is more or less a straightforward filing system, although records can be kept in up to three different orders.

Omnis 2, which costs about £300 handles greater volumes of information, allows more complicated arrangements of files and more automatic calculations.

Omnis 3 incorporates all the features of its smaller brothers but can be used to design complete, custom-built information programmes. It costs around £450.

The products are to be marketed through 300 UK dealers, distributors in 10 European countries, in South Africa, the Far East and in North America via the new company, which starts operations this month.

David Hellier

Used machines —hardly worn

WITH those boardroom rows at Westward Television now well behind him, Peter Cadbury looked tanned and fit and was sporting a dazzling yellow tie. He did his best not to look bemused as his young, new business partner began to hold forth about the wonders of their new venture . . . into computers.

Only a few weeks ago Cadbury took a 35 per cent stake in a recently formed small company which leases and trades second-hand IBM computers.

The company, financed by overdraft facilities of up to £85,000, had grown fast enough to become strapped for cash. Yet Cadbury claims the company will have a turnover of £4m in its first year of trading and make a profit of £500,000. Already he is wondering aloud when he might bring this fledgling company to the Unlisted Securities Market, and realise part of his investment. 1986?

His partner, Paul Hesketh, is 25, rotund, energetic, confident and says he was once a shepherd. "Essentially I am in the commodity business," says Hesketh, with a flourish of his hand. "I don't know anything about computers and I am certainly not technical."

The two met as a result of a dinner date between their respective personal assistants. In spite of their apparent differences, Cadbury and Hesketh say they hit it off immediately. Cadbury has paid £228,000 for his 35 per cent stake, of which £150,000 has gone into the business. He also negotiated an overdraft facility of £200,000.

The company — European Leasing and Trading (ELAT) —buys and sells second-hand, medium-sized mainframe computers made by International Business Machines, the world's largest computer group. ELAT acts as broker between those wanting to sell their computers and organisations wanting a computer but not requiring the latest and most powerful models; they are thus pleased to pay a lower price.

Hesketh says most organisations will only keep a computer 18 months to two years before changing it for a more advanced or more powerful system. The market exists because of IBM's dominance of the computer industry and the consequent wide availability of second-hand machines, extensive software and a large number of people familiar with IBM's systems.

The key factors to the second-hand market are that computers do not wear out like mechanical goods and that IBM is willing to continue to maintain its computers for lengthy periods at reasonable rates. The major negative factor is that advances in technology make old computers obsolete. New computers are often cheaper than the ones they replace and are several times more powerful. This forces down the price of the second-hand market—or "second user" as the industry prefers to call it.

But ELAT tries not to hold any stock and the policy is only to buy when it has a customer. The company therefore lives on its wits by knowing who may want to sell what and when and then matching up a buyer.

Competition

There are a number of other companies in this business—which is estimated to be worth $2bn a year in the U.S. In the UK ELAT faces stiff competition from Atlantic Computers and United Leasing, both of which came to the market last year, and from several others including Premier Computers, where Hesketh once worked.

Hesketh already has ambitious plans to diversify. These include a stand-by computer back-up service (where there are also competitors) and a second-hand micro and mini-computer shop (which he claims is unique), both of which are being financed by the injection of capital from Cadbury.

The shop, says Hesketh, is effectively a duplication of the brokerage business in the retail industry. "There is nowhere in this country where someone can buy and sell a computer over the counter," claims Hesketh.

Jason Crisp

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Yemen Construction Company

YEMEN ARAB REPUBLIC

The Yemen Company for Investment and Finance invites proposals from reputable Contractors with international experience to establish and subsequently to undertake the management of the Yemen Construction Company, currently in the process of formation.

The Yemen Construction Company (YCC) is being established by the Yemen Company for Investment and Finance, the Yemen Bank for Reconstruction and Development and the principal Yemeni contractors and businessmen with the support and encouragement of the Government of the Yemen Arab Republic. The YCC aims to undertake building and civil engineering works, mainly in the Public Sector, which are normally placed with international Contractors. The Company will have a share of capital of 100 million Yemeni Rials, with its head office in Sana'a.

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THE ARTS

Serpentine Gallery, London/William Packer

Anthony Caro at the cross-roads

The recent threat to the Arts Council's Serpentine and Hayward galleries by its own hand was, we must still suppose, real enough; which makes it all the happier a coincidence that at the very next turn there should appear in each of them an especially splendid exhibition, as though to show us at once the scope, ambition and distinction of the Council's work with the visual arts and, by obverse suggestion, the hole that might so easily and gratuitously have been made in our national cultural life.

"National" is indeed the word: much as we all may share in the received wisdom of devolution upon the regions and provinces, and the helpful dispersal of energy and encouragement, material and opportunity, the policies of the best tended garden even so, pace Sir William were never afforded an absolutely regular and equitable distribution of attention, resources and importance. London remains for us, like it or not, the principal forum for the activities, practice and business of art, as of everything else, the one place in which to seek success, make a name, find the best that has been done of all kinds, old and new.

The Council necessarily has a major part to play in such professional intercourse; yet if it is to support and encourage the arts, the visual arts especially, rather by example than by mere administration and bureaucratic intervention, it must reserve to itself the opportunity to show just what it means, to set standards, to bring us the best, of all those kinds, that we may come to recognise it for what it is. It does not always follow that the artist works with a public in mind, but whatever his primary reasons for working may be, it is certain that his work can have no social purpose, role or effect unless it is then more generally shown — which would seem to be the point that any interested public body would jump to take. It is hard to see that giving up its two galleries, both of them national showcases of international standing, would have confirmed any of the Council's own claims to social responsibility, to artists and general public alike.

We have the Hayward (1066: English Romanesque Art 1066-1200 — until July 8), and the Serpentine Gallery, one of the most delightful and accommodating of Europe's smaller galleries — one thinks of the Orangerie in Paris, and the British, and one or two other of the national pavilions in Venice — and with the sun shining, and the trees coming into leaf, it is all but perfect. In and around it now (until May 28: then on tour to Manchester, Leeds, Copenhagen, Düsseldorf and Barcelona — all of it sponsored by United Technologies) is a most admirable show, a concise review, chosen with unsurprising restraint and discrimination by Tim Hilton, of the work since 1969 of Anthony Caro, one of our most distinguished sculptors.

Caro's reputation does indeed stand wonderfully high, second only to Henry Moore's in international terms, whose assistant he once was, and quite alone amongst active working sculptors. His success came suddenly, and for some 20 years now has remained remarkable, with the museums of the world queuing up, each eager for its statutory prime example. In the mid-1960s, at the death of the American sculptor, David Smith, he became as it were the acknowledged standard-bearer for the then dominant strain of modernism within his discipline: steel his working material, his method one of building up, welding and bolting together rather than carving out or modelling, his imagery and process firmly based in the constructivist tradition.

He more than any of his peers appeared to be the one who, as the phrase of the time put it, had taken sculpture off the pedestal and on to the floor. All of which makes for a handsome and significant exhibition, but one still tough enough and even difficult, making few concessions to anyone who has not yet come to some accommodation with modern art in its most abstract mode, apparently so remote from any human reference or obvious connection.

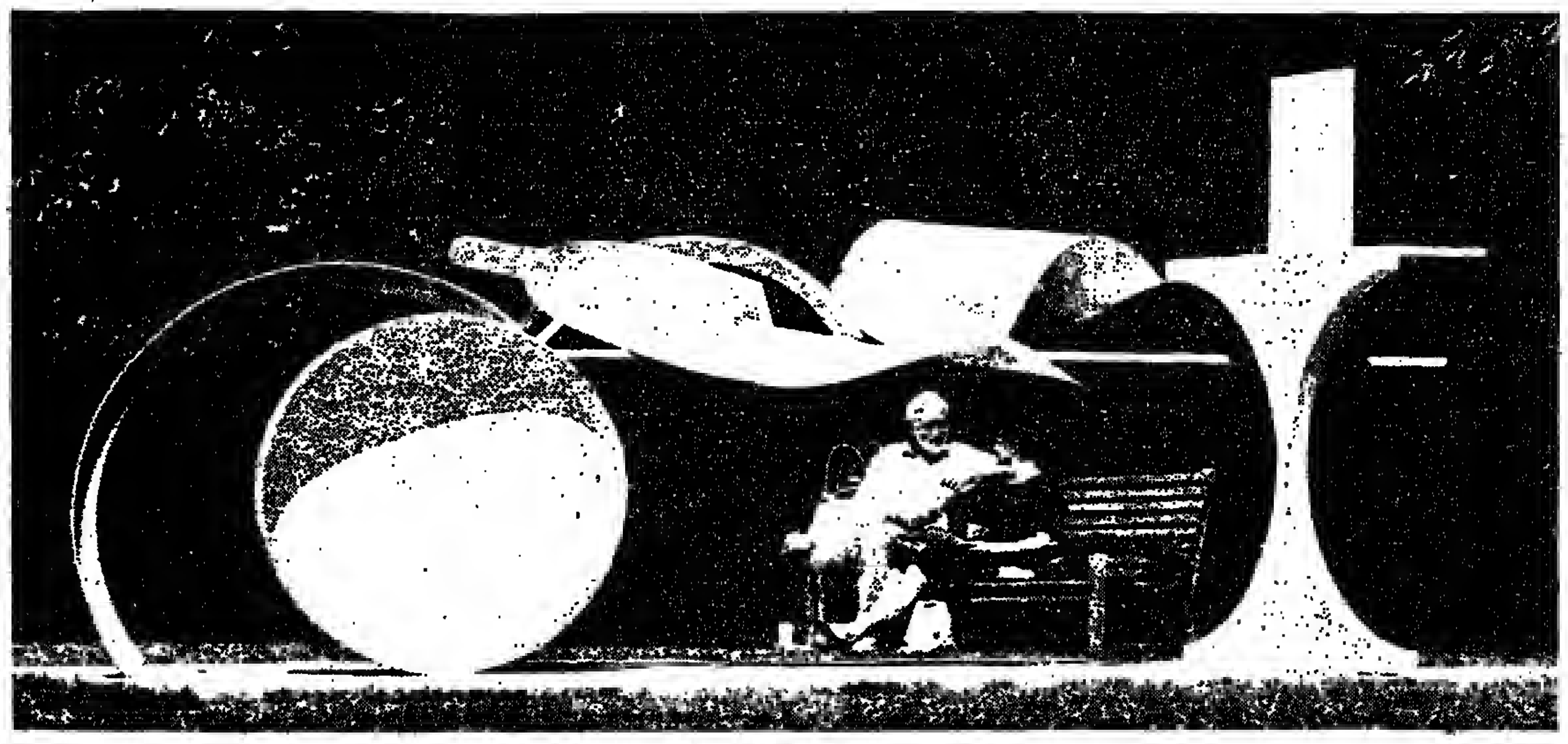
But appearances, as we should know by now, are inclined to be deceptive: difficult work? Yes, but not impossibly so to anyone prepared to allow it some serious consideration. Human reference? Well that depends rather upon what you mean, or expect. The disciplines of architecture and engineering, both of which, to say the least, can sustain a powerful aesthetic charge, carry no such popular expectation or requirement (and their relationship to Caro's work is obvious and close); and organic structures, too, are quite exempt — whoever heard of a tree that was too abstract, thus unavailable to any humane response, physical or imaginative?

The Moore connection, too, is not so remote as it might seem at first, for the sprawled, reclining form that has been so important and enduring a preoccupation for the elder can now be seen to be no less so for the younger artist: but where Moore broke into the mass of the form yet remained close to the figure as such, or at least to a generalised anthropomorphic association, Caro went so much further as to articulate and open up not the form as it were the volume, but rather the occupied space itself. And he would honour his old master by direct contradiction in other ways: truth to material denied by bright and cheerful paint, for example, and the form improvised from given material rather than closely worked.

There has always been a lightness of spirit, a certain ebullience in Caro's constructed and welded work, an elegance and delicacy of touch that has redeemed and lifted it sometimes even in his most ponderous and serious moments, self-consciously modern and magisterial as he was in the later sixties, the work then extending to great areas of floor space, and massively simple and austere. Even then he preserved the curious knack of levitation, which has never deserted him, by which his steel sheets and girders seem to lie so lightly in the air, tossed now quite high, now but inches from the ground.

This exhibition takes as its starting point the year in which Caro was given a huge retrospective at the Hayward, so to bring us up to date; which means that we begin with him well into that heavier mood, and follow him through the successive phases of imaginative renewal, development, improvisation and release that have characterised his work through these 15 years. For he has moved away from those old severe constructivist constraints to a mode of expression that is infinitely more intuitive in its processes and organic in its references. It is work that now seems to be done at high speed —for Caro is nothing if not astonishingly prolific—the variations upon his recurring themes thrown off as though there was nothing to them, really, but never carelessly, nor without the most particular discrimination, whether technical or aesthetic.

He has shown himself to be, in short, a consummate stylist, which is, in itself, no bad thing; and through it he has won for himself a technical mastery and freedom which together could lead him anywhere he might choose to go. But it does force upon us the question: are variation, finesse, virtuosity, quite enough? These lovely wobbly screens, rusted tumbles of steel that resolve themselves into natural structures, jumbled tripods, smaller pieces that slither and escape over the table's edge, are clever, witty, exciting by turns, and all very well; but where do they take us next? Caro is by no means an old man, and there are hints in some of the latest pieces, in the curious table piece, "The Mosque," of a year or two ago, to the large wonky spiral room he made for the Arts Council recently, and in some of the small mixed-media studies and maquettes currently on show at Kasmin, that he is again addressing himself to denser and other than purely formal problems.



"Sun Feast," 1969-70, by Anthony Caro

Beethoven cycle/Festival Hall

Dominic Gill

Nothing in the penultimate concert of the LSO's Beethoven cycle under Abbado last Sunday soared aloft as the fourth piano concerto had done the previous week. If the truth be told (as distinct from the polite, enthusiastic fiction which audiences invent for themselves on such occasions), Pollini's account of the third piano concerto was efficient but dull. His playing was introspective, restrained—so restrained indeed in the opening bars of the Largo that the marvellous enharmonic shift from B major to G major was rarely audible—and lacked any kind of mystery or radiance. I've heard few performances of the finale so exquisitely articulated — but dozens more pungent, more fine-honed, more dramatically daring.

The chorus of critical displeasure (some of it rather crudely aimed) which has by and large greeted Abbado's first Beethoven cycle has been prompted more than anything by disappointment. For all his virtues, Abbado has never seemed, either by temperament or technique, to be cast naturally in the role of important Beethoven conductor; yet it is precisely that role which such a cycle, explicitly and unequivocally, claims. And even were the claim not to be justified, from such distinguished forces one had hoped for more than a sequence of intelligent, under-rehearsed run-throughs, lit here and there by passing delights, but no more than once or twice by a truly original and stirring re-creation.

Sunday evening's other two performances, of the Coriolan overture and the sixth symphony, had so much in them that was good—and so much too that was unpoised, inexact, only half formed. Abbado drove Coriolan with a frenzy of powerful, vigorous gestures: but the sound itself, and the movement of the music, lacked any trace of granite Beethovenian quality —the kind of Beethovenian sinew, fraught with brilliant shadows, which has nothing fundamentally to do with elegant phrasing or urgent rhythmic drive or precise attack, all of which Abbado's direction possessed in plenty. The sixth symphony responded more congenially to his loose-limbed, excitable, instinctively operatic view. The slow movement had languorous charm, and the peasants' dance had snap and wit; but the finale remained obstinately clouded, a surge of desperation rather than sun-drenched, heaven-sent radiance.

Elisabeth Söderström/St John's

David Murray

No pleasanter way of spending a spring lunch-hour comes to mind than listening to Miss Söderström. She was in fine voice yesterday (after a slightly pinched start), and not only straight soprano—in Schubert's "Erlkönig" she was tempted into impersonations, colourably masculine for the father, alarmingly young and frail for the afflicted son. It might have seemed too clever, but it was extremely affecting. At the piano Roger Vignoles coped heroically with Schubert's relentless repeated octaves, though never very quietly. On a modern grand, managing that probably requires some faking.

All her opening Liszt group of songs and all her Schubert were on Goethe texts, including "Freudvoll und leidvoll" as set by both composers: more explicitly acted-out by Liszt, lyrically simple with Schubert. There was Liszt's earlier version of "Kennst du das Land?" too, which makes the dragon-haunted mountain surprisingly tame, and "Ueber allen Gipfeln ist Ruh" with swooning Romantic undercurrents. Miss Söderström gave us a perfectly modelled "Gretchen am Spinnrade," a shade too practised to be quite as heart-wrenching as intended.

With her Russian songs she was in full vocal command, and Vignoles took to Chaikovsky's and Rakhmaninov's piano parts with evident relish. They began with a melting account of a Chaikovsky song we ought to hear more often, "Why are the roses so pale?"—the title suggests something melancholy and twee, but the music has a great concentration of feeling. A careful performance of "None but the lonely heart" avoided mawkishness (and threw the daring intervals in the melody into interesting relief). "The Cuckoo" cuckoos repetitively and comically while the piano blows up a storm; Vignoles had a good time with that. Miss Söderström's mastery of Rakhmaninov's songs is well known, and in the three she chose she demonstrated it to admiration.

Merrily We Roll Along/Sherman, Cardiff

Martin Hoyle

What are we to do with Stephen Sondheim? On the one hand he can perpetrate the clumpingly sub-Wildean pseudo-aphorisms of *A Little Night Music* with its bluffing, busily tuneless score and eager reliance on the appetite for genteel kitsch evinced by blue-rinsed matrons of all sexes; on the other, the sinewy energy of *Sweeney Todd* with its gripping theatrical compulsiveness.

Still awaiting a professional London production (the Guildhall student version was reputedly outstanding), *Merrily* now rolls into the Sherman, Cardiff, having been seen in Manchester after attaining honour without profit in its own country. It makes an absorbing entertainment. Now if the NT had mounted this instead of *Schweyk*...

Come to that, Kaufman and Hart's original play might well be more in tune with our cynical times than *You Can't Take It With You*. Beginning with a first-night party that erupts into violence as the rich and beautiful are revealed as embittered, shallow or ruthlessly egocentric, the story progresses backwards to end with the hero as student, movingly enunciating the principles of integrity we have already seen him abandon.

Sondheim has naturally updated the interwar setting, and his hero is a show composer turned film-producer, not the playwright of the original. If the play's flavour was show-biz abrasive, a martini mixed with gall, *All About Eve* with a dash of cyanide, the musical suffers from the stylisation that reduces everything to the same level of slightly theatrical artificiality.

There is little contrast between selfish 1980 Franklin, compromised by success, and his idealistic younger self—except that a different actor embodies middle-aged tycoonery. The cynicism of the original, the astringent irony that disconcerted audiences used to the same team's comedies, is here softened by having the old monster shake hands across the years with his younger self in what looks suspiciously like a sentimental gesture.

Possibly autobiographical, Sondheim's reworking emphasises the theme of friendship; perhaps intentionally, the most haunting number, "Good Thing Going," emerges fortuitously as a love song for the words and music partners, Frank and Charley (Gilbert and Sullivan were never like this). The third member of the "old gang" — of whose bitter estrangement we of course know from the show's outset — smacks faintly of Dorothy Parker: Mary eats her heart out for Frank over the years and slides from wisecracks to bitchiness, from witty writing to alcoholic criticism.

The score at least has the pace, sharpness and occasional dissonance that Sondheim's dialogue lacks. The author pre-empts criticism by making one character complain of the hero's infrequent tunes (touché). His young theatrical hopeful's reference to "writing clever little shows for those basements" evokes a whole emptily virtuosic milieu dangerously close to the real Sondheim, as does a satirical number set in 1960 about the Kennedy clan. Today almost painful to listen to, it perfectly typifies the host of First Family take-offs of the period's chic cabaret.

Geoffrey Axworthy's production abets the Sondheim tendency to stylisation with a cast sporting T-shirts marked "Ex-Best Friend," "The Next Mrs Shepard," "His Maid" and "His Producer." It makes a refreshing change to see a large (30) cast for a musical in the regions; and a sizable band plays incisively.

As theatre the show is never less than gripping, though like many talented writer-composers Mr Sondheim is most effective when simplest. The moving, four-square chorus, "Our Time" (faintly reminiscent of the hymn-like final chorus to Bernstein's *Candide*), sung by youngsters to the sky of a New York morning as Sputnik heralds a whole new age, is appropriately poignant, and music theatre at its best.

Imogen Cooper/Elizabeth Hall

Max Loppert

Miss Cooper is maturing into a pianist of considerable fastidiousness of style and technical control. For her recital on Sunday afternoon she had chosen a programme taxing not in any obvious virtuoso sense but in its calls for intellectual clarity and structural command —sonatas by Mozart and Schubert, each framed by an early 20th century composition (before the first Janacek's *In the Mist*, before the second Schoenberg's Six Little Pieces, Op. 19). Very little if any of it escaped her firm yet sensitive touch; stylistic distinctions were made, and points of arguments outlined, in a way to indicate the degree of quiet scrupulousness and of hard thought that had gone into the making of each performance.

But, yesterday at least, a negative side to all these positives was also in evidence. Mozart's C minor Fantasia, K475, and the C minor Sonata, K457, that forms its natural conclusion are works of passionate pre-Romantic anguish, poised (as it were) on the edge of the entire 18th century keyboard literature, dramatic in their breach of convention and in their brilliant development of unexpected lines of thought. Miss Cooper seemed to want to smooth the angular contours of the Fantasia's opening paragraphs and of the Sonata finale, to diminish the theatricality of their harmonic plunges and sleights-of-hand. None of the grand gestures was allowed to retain its full gestural vividness; each was tamed into the unfolding of the whole.

Miss Cooper's Schubert G major, D894, follows similar routes, and is organised according to comparable stylistic strictures. She held the movements tautly together, allowed them no flights of fancy—and that must stand as a criticism as well as a compliment, for, particularly in the finale, there was lacking the charm and sense of Schubertian merriment that can come from an inspired sudden lingering upon or chasing up of stray melodic delights. I wish Miss Cooper would now, in the best way, let herself go.

Belton House Sale

Antony Thorncroft

A sale of some of the contents of Belton House in Lincolnshire, now owned by the National Trust and open to the public, began yesterday on the premises with Christie's as the auctioneer.

When Lord Brownlow, and his Trustees, made over the house and parklands to the Trust (for £8m) in January much of the contents was included in the deal but enough was exempt to create the need for the current three day sale.

The most important session yesterday morning made £675,736 suggesting that the £2m forecast will be exceeded. The National Trust was a buyer, paying £102,600, through dealer Christopher Gibbs, for a rare late 17th-century lapis lazuli table cabinet, and £17,280 for a 17th-century Japanese lacquer coffer and stand (the stand being more vital since it traditionally supported the lapis lazuli cabinet).

These two items will now stay at Belton. Christopher Gibbs, bidding on his own account, paid £48,600 for an early George III library staircase, 122 inches high. The price was around three times the estimate for this unusual structure (a similar example is at Althorp).

An early Louis XV kingwood and tulipwood armoire, originally part of the furnishings at Ashridge House in Hertfordshire (which was inherited by the Brownlows in 1848 and sold off in 1921), made £41,040, while Partridge paid £28,080 for a North German walnut and parcel gilt cabinet-on-chest of the mid-18th century, also from Ashridge.

Another London dealer, A & F Gordon, bought a Regency rosewood and parcel gilt chiffonier for £25,920, and a pair of early George II giltwood window seats went to Partridge for £24,840. The same sum acquired a pair of Venetian lacquered and gilded games tables of the mid 18th century. A pair of George I black and gold lacquer cabinets realised £23,760 (three times estimate) and a Louis XV kingwood and purple heart table à écrire, £21,600.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 27–May 3

Opera and Ballet

NEW YORK

American Ballet Theatre (Metropolitan Opera House): The eight-week spring season of Mikhail Baryshnikov's company includes an all-new Cinderella, choreographed by Baryshnikov and Peter Anastos. Other season premieres include works by Twyla Tharp and Martine van Hamel, Natalia Makarova's new staging of Paquita and company premiere of Sir Kenneth MacMillan's Triad. Company favourites in the repertory include Swan Lake and last year's premiere of August Bournonville's La Sylphide. Lincoln Center. (5809856)

The New Moon (Light Opera of Manhattan). Sigmund Romberg's tale of French Louisiana in the 17th Century includes the songs Wanting You and Lover Come Back To Me. Ends May 27. 334 E 74th (8612288)

WEST GERMANY

Berlin Deutsche Oper: Tosca has Eva Marton, famous for her rendition in the title role, and Giorgio Lamberti. Die Entführung aus dem Serail features Karin Ott and Bengt Rundgren in the main roles. Der Troubadour is produced by Herbert von Karajan and brings together Peter Gougaloff, Carol Wyatt and Stefania Kuezamanska. (34381)

Hamburg, Staatsoper: Die Entführung aus dem Serail is again added to the programme, starring Peter Schreier as Belmonte. Premiering this week is a new production of L'Ormindo by Cavalli produced by Erich Wonder and conducted by Jeffrey Tate. Rudiger Wohlers appears in the title role. Madame Butterfly, sung in Italian, has fine interpretations by Yoko Watanabe and Luis Lima. (351151)

ITALY

Milan: Teatro alle Scala: I Lombardi Alla Prima Crociata – a new production directed by Gabriele Lavia and conducted by Gianandrea Gavazzeni with Jose Carreras and Ghena Dimitrova. (809126)

Bologna: Teatro Comunale: Lucrezia Borgia with Katia Ricciarelli conducted by Gabriele Bellini. (222999)

BRUSSELS

Marriage of Figaro directed by Sylvain Cambreling with Felicity Lott as the Countess. Theatre Royale de la Monnaie.

XXth Century Ballet, choreography by Maurice Bejart, with Messe Pour Le Temps Futur. Cirque Royale.

VIENNA

Aida conducted by Lorin Maazel with Vergara, Chiara, Vance, Seiris, Pavarotti; Salome conducted by Hollreiser with Armstrong, Hesse, Slavia; La Cenerentola conducted by Zedda with Holm, Hintermeier, Balsta. Staatsoper (5324/2655)

PARIS

Massenet's Werther conducted by Georges Pretre in Florence's Teatro Communale production, with a superbly sung title role by Alfredo Kraus, admirably partnered by Lucia Valentini-Terrani as Charlotte, Gino Quilico as Albert and Christine Barbaux/Marie-Christine Porta as Sophie: alternates with Mussorgsky's Boris Godunov, conducted by James Conlon, with Nicolai Ghiaurov in the title role, Martin Mahe as Fiodor and Marie-Christine Porta as Xenia, at the Paris Opera. (742 5750).

LONDON

Royal Opera, Covent Garden: Britten's Midsummer Night's Dream, not given in this theatre for several seasons, returns with a mainly new cast (Marie McLaughlin, Yvonne Kenny, Claire Powell, Robin Leggate, Jonathan Summers, Stafford Dean as Bottom) led by James Bowman's long-admired Oberon; Roderick Brydon makes his Covent Garden conducting debut. Further performances of the Cosi fan tutte revival led by Elizabeth Connell and Francisco Araiza, and conducted by Christoph Eschenbach. (240 1066)

WASHINGTON

Metropolitan Opera (Opera House): The hundredth annual spring tour brings a fortnight's programme of seven operas, including Francesca da Rimini conducted by James Levine with Renata Scotto and Placido Domingo; Rinaldo, conducted by Mario Bernardi with Marilyn Horne in the title role; Thomas Fulton conducting Ernani with Ermanno Mauro in the title role and Jon Vickers in the title role of Peter Grimes conducted by David Atherton. Kennedy Center. (254 3770).

Theatre in New York

Not-so-Golden Age

One of the qualities of the white Anglo-Saxon American Protestants A. R. Gurney Jnr mines so successfully for his plays is their incorruptibility. They may turn seedy and lose their grandeur through the dilution of their position and wealth, but they should never become so common as to be reduced to ciphers for a mere plot, especially one that revolves round money.

Irene Worth has all the grandeur needed to sustain the WASP image Gurney continues to portray with once affectionate and now icy accuracy. But *The Golden Age* (at the Jack Lawrence Theatre) catches her in a silly plot that has a handsome young academic traipsing round to her elegant East Side Manhattan town house to find undiscovered F. Scott Fitzgerald writings. She wants to trade the young man's interest for a promise to support her granddaughter.

Once an easy resolution comes with a romantic attachment between the attractive young pair, played by Stockard Channing and the new heart throb from *Terms of Endearment*, Jeff Daniels, the old lady warns her granddaughter off the pleasant but ambitious suitor/scholar. Back and forth the old lady manipulates the young people, who struggle against both her and the limitations the playwright wrote into the parts.

Gurney's most notable play, *The Dining Room*, was remarkable for its economy of exposition as characters flew in the room, explained who they were, did their business and moved on. *The Golden Age* natters on about the old days, lacking affection, nostalgia or real interest.

Perhaps the playwright assumed he was turning the tables by making the old lady, who had once had F. Scott Fitzgerald as a romantic lodger, into the mercenary one, while the young scholar has really come to the house out of a love of literature. He is shocked when the granddaughter lists the old lady's demands, including a $10,000 advance and 50-50 split on a collaborative memoir of her. But any irony intended in the title merely violates the spirit of John Tillinger's reserved direction, Oliver Smith's sumptuous set, and even the playwright's previous concern that the past, if not preserved, should at least not be prostituted, either.

FRANK LIPSIUS

APPOINTMENTS

NFC makes changes

NATIONAL FREIGHT CONSORTIUM has appointed Mr John D. Mather as chief executive, from October 7. Mr James K. Watson, finance director, has been appointed deputy chairman (finance), from January 1. Sir Peter Thompson, who agreed to accept the dual role of chairman and chief executive in October 1982 for a limited period only, until the new employee-owned consortium became established, will now relinquish his chief executive post to concentrate on the longer term aspects of the NFC as executive chairman. Mr Mather is group managing director, National Services Group and NFC Property Group.

★

Mrs Freda Lomax has joined the board of CONTAMINATION CONTROL APPAREL, Bolton, as production director. She has been manager in charge of production of CCA's clean room clothing and short-life and work garments since joining the company five years ago.

★

EXCESS INSURANCE GROUP has appointed Mr John R. Llambias as director, UK underwriting, and Mr E. J. White as deputy director, group marketing and corporate relations.

★

Mr Bob Savage has been promoted to engineering director of AUTOSENSE EQUIPMENT, Bicester, a subsidiary of United Technologies Corp, U.S. He joined Autosense Equipment last year from Quest CAE, where he was technical manager in charge of computer-aided engineering. Ms Lorna Keast, has been appointed financial director of AUTOSENSE EQUIPMENT. She joined Autosense from another UTC subsidiary, Becker Lifts, where she was financial manager.

★

Mr Barry P. Laight has been appointed secretary of the ROYAL AERONAUTICAL SOCIETY. He was executive director engineering at Short Brothers, Belfast.

★

SOFTWARE SCIENCES has appointed Ms Esther Dye as personnel director. She joins from parent company, Thorn EMI Information Technology, where she was administration controller.

★

Mr Paul Hewlett has been appointed director of quality by OTIS ELEVATOR. He was director of planning — special projects. Otis has appointed as director of personnel Mr Colin Coast, formerly management development manager.

★

Mr Arthur South has been appointed marketing director of TECHNICAL TRANSLATION INTERNATIONAL.

★

Mr Terry King-Smith has been appointed joint deputy managing director of GROUP 4 TOTAL SECURITY, with responsibility for all operational and marketing activities in the UK. He joined as marketing director in November 1982 from Avis UK and became a member of the Group 4 board in January 1983.

Mr James Watson (left) who becomes deputy chairman (finance) and Mr John Mather (right) who is made chief executive of the National Freight Consortium

★

TARMAC CONSTRUCTION INTERNATIONAL — overseas and UK major project arm of Tarmac Construction — has appointed Mr Brian Georgel as operations director. He rejoins Tarmac from Bovis Civil Engineering, where he was director of operations.

★

RICHARD BECKETT UNDERWRITING AGENCIES has appointed Mr Ralph Bailey as active underwriter of non-marine syndicate No 918. He replaces Mr Michael Jackson, who has resigned. This appointment will take effect from a date to be agreed. Subject to the approval of the council of Lloyd's, Mr Bailey will become a director of the company. He is currently chief non-marine underwriter of Terra Nova Insurance Co.

★

Mr Barry C. Whiteley has been appointed managing director of HUDSONS OFFSHORE. Previously, he was a director of Hudsons Freight Services international project division. Mr Fred Bristo who has worked for the Group during the past eight years becomes a director of Hudsons Offshore.

CONSTRUCTION CONTRACTS

£3m for Haden Young

HADEN YOUNG, building services subsidiary of Haden, has four orders totalling £3m. Under a £680,000 sub-contract with Lovell Southern, Haden Young will design and instal air conditioning, mechanical and electrical services for Surrey Heath Civic Offices at Camberley. As part of an "energy-conscious" new headquarters building in Glasgow for Coats Paton, Haden Young is constructing air conditioning and mechanical services at a value of £700,000. Also in Glasgow is a £1.19m order from Balfour Beatty for 11 kV switchgear and cabling, main electrical distribution and lighting, fire alarms and public address systems for a Property Services Agency building. For another PSA project, Haden Young will act as prime contractor in the Phase 2 refurbishment of a computer suite and office accommodation for the Department of National Savings in Durham.

★

BALFOUR BEATTY has been awarded work totalling £2.5m. The north of England unit of Balfour Beatty has been awarded four contracts recently. The first, from Tyne and Wear County Council, is for Pallion Access Road, stage two, Sunderland worth £276,000. The contract comprises the widening of 375 linear metres of single carriageway from 7.3m to 10.3m at one end to facilitate access to Pallion Industrial Estate. A £103,000 order from the Property Services Agency, is for alterations to hangar 59 at RAF Catterick. The North Eastern Electricity Board has awarded a £74,780 contract for repairs and remedial work to a steel-framed portal building following mining subsidence at the NEEB Penshaw Depot, Durham Industrial Estate. The fourth contract, worth £163,000, is for English Industrial Estates for the construction of two traditional steel-frame blocks, each comprising four or five factory units.

A £873,000 contract from Anglian Tendaheef Company, Clwyd, is for the construction of an extension to its existing production facilities. Work will include new plant rooms, a cool store, a new office and an amenity block with welfare facilities. A design and build contract worth £1.07m has been awarded by Countrycross to build an industrial unit on the Mole Business Park, Leatherhead. Work includes building an office block on three levels with industrial space at the rear.

★

Twenty-five terraced houses in Colindale, together with four garages and outbuildings, are being demolished to make way for six two-storey blocks of flats. The £916,169 contract, in Booth Road, is being carried out by the South Eastern Region of JOHN LAING CONSTRUCTION for the London Borough of Barnet housing department and will take just over a year to complete. There will be 40 flats within the development, each of which will have its own door at garden level. Nineteen of the flats will provide sheltered accommodation for elderly people to rent and there will be a warden's flat to serve the scheme. The other flats will provide ten two-person and ten three-person flats for rent.

★

WREKIN CONSTRUCTION CO has received a £860,000 contract from Welsh Water for part of a scheme designed to protect the centre of Bridgend, Mid-Glamorgan, from flooding by the River Ogwr. Permanent sheet piling will be driven into the river bed to protect existing foundations. In situ concrete bases and walls will be built on these and completely concealed by precast concrete wall sections with specially textured faces compatible with the surroundings. The contract covers the second of the three stages in the flood protection scheme and is scheduled for completion in the summer of 1985.

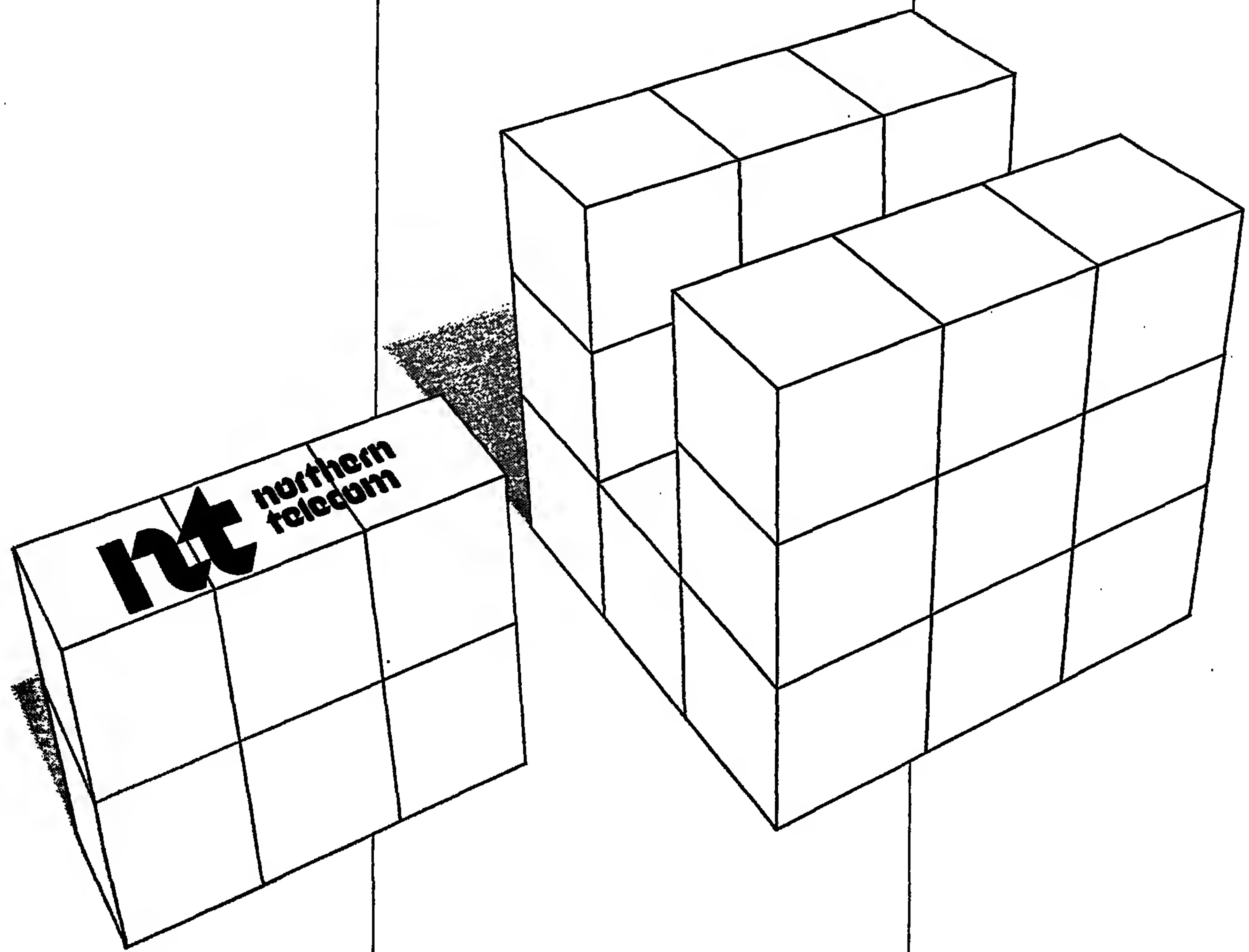
★

HEWGATE CONSTRUCTION, Aylesbury, has been awarded a £600,000 contract for the design and construction of 28 flats for W. Lacy and Co. The flats are being sited alongside the Oxford canal, on land which was previously occupied by Victorian houses.

★

CAPITAL CHAPMAN GROUP has been successful in its tenders for two school contracts, each worth about £500,000. For Hampshire County Council, work is about to start on alterations and extensions to Petersfield County Primary School. The contract covers the insertion of an extra floor within the existing school structure, two new wings and extensive external works. For Surrey County Council, an extension to Woolmer Hill School will comprise a separate block, of single-storey construction, around a courtyard. Work on both projects will be carried out by Chapman Lowry and Puttick, and will be completed in the summer of 1985.

NORTHERN TELECOM. BUILDING THE TELECOMMUNICATIONS FUTURE.



In 1976, Northern Telecom announced the Digital World,* changing the course of world telecommunications development. It committed the company to being the first to produce a complete family of **fully** digital switching and transmission systems.

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Northern Telecom today is the world's largest manufacturer of fully digital systems and services. It has in service, or on order, the equivalent of some 16 million lines of fully digital switching and transmission systems—more than any other company. Northern Telecom is a leader in the development and manufacture of computers and custom large-scale integrated circuits for telecommunications.

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In the United States, the world's largest and most competitive national market, Northern Telecom's DMS* (Digital Multiplex Systems) Family of digital central office switches has been sold to, or is in service with, 21 of the 22 U.S. Bell operating companies and all other major telephone companies.

Northern Telecom is the largest supplier of digital telecommunications systems to the U.S. military. It is a principal source of such equipment for the U.S. specialized and resale common carriers, governments, private corporations, and major institutions, such as universities and hospitals.

It was the first telecommunications equipment manufacturer to introduce integrated voice and data capability with its family of SL* digital PBXs. The SL Family ranges from 30 lines to 30,000 lines and includes the largest digital PBX available. The SL-1 is in use in 45 countries.

Financial and telecommunications organisations around the world are using the Northern Telecom SL-10 data packet switch. The U.S. Federal Reserve System handles fund transfers of more than US$100 trillion a year on its 14-node SL-10 system. SL-10 is used by the West German Bundespost, and in the United Kingdom, Canada, the U.S., Hong Kong, Switzerland, Portugal, Belgium, Austria, and the Republic of Ireland.

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Northern Telecom's 39,000 employees are based throughout the world in sales and services offices, 37 research and development centres, and 46 manufacturing plants.

With them, and through them, Northern Telecom continues to lead the industry and build the global telecommunications systems of the future.

For more information on Northern Telecom and its products contact: Northern Telecom plc., Berkeley Square House, Berkeley Square, London W1X 5LE. Telephone: 01-491 4599.

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Regulating the City

THE PERIOD for submission of opinions on Professor Jim Gower's Review of Investor Protection closed yesterday, almost three years after Prof Gower was first appointed to advise the Department of Trade.

He has conducted a highly impressive analysis of a complex subject. But in considering his conclusions, Mr Norman Tebbit, Secretary of State for Trade and Industry, will be very much aware that Prof Gower has been shooting at a moving target.

The original concern was focused upon fringe financial operators, and upon areas such as commodities where the arrangements for the protection of non-professional investors have been poorly developed.

But the financial markets have now embarked upon a period of fundamental change. The barriers that have separated different types of institution, such as stockbrokers, banks and insurance companies, are breaking down. While this revolution need not wholly invalidate Prof Gower's broad conclusions, it must have a substantial bearing on the way in which the balance of power is struck in the new framework.

The fundamental decision for the Government concerns the way in which statutory control and self-regulation are welded together in an effective partnership. Any workable system must have elements of both.

Position

By itself, a statutory body would tend to strangle the markets it sought to regulate, because its bureaucracy would become overwhelming and it could not react fast enough to keep up with the changing needs of the investors it was supposed to be looking after. And self-regulated organisations, though sensitive to changing conditions in their own markets, would tend to lean towards the interests of their own members rather than those of the public unless they were kept under close supervision.

Until now, it has been right to pick a position towards the self-regulatory end of this spectrum. Civil servants are not natural administrators of sophisticated financial markets. And Britain's markets are comparatively centralised—obviating the need for a U.S.-style Securities and Exchange Commission which has the task of imposing consistency on much more diversified markets across America.

But, the picture in the UK is changing in two ways. First, the investment markets are becoming more fragmented, with the growth of commodity and financial futures exchanges which cater for quite small investors, and with the expansion of the network of securities dealers outside the Stock Exchange — leading to an embryo over-the-counter market in unlisted securities.

Second, a new kind of integrated securities business is being created in the UK, and it is to be expected that a number will take on an international nature. It cannot be realistic to expect that such multifaceted giants could be properly kept in order by self-regulatory agencies, even tough ones like the Stock Exchange.

It is therefore time to be thinking in terms of a much stronger statutory agency to safeguard investor protection than has been traditional in the UK. This does not mean simply copying the U.S. model of an SEC: conditions remain different in the UK where the Stock Exchange, for instance, should still be delegated the authority to monitor the affairs of listed companies. It does, however, imply the creation of a body to intervene more widely on the basis of increased statutory powers.

In some areas this is not new. Banks, insurance companies and unit trusts are already under strict statutory control, at least in the major parts of their operations. It would be possible for the Department of Trade simply to expand its existing activities, which include licensing and monitoring unit trusts and licensed dealers in securities.

There might well be important advantages, however, in the establishment of a clearly separate agency, albeit still responsible to the Secretary of State. As a more visible body, it could attract specialised executives — many of whom would need personal experience of the investment markets — and it would be more possible for outsiders to judge its performance.

Such a commission — if the City of London will swallow the word — would still need to operate through a variety of effective self-regulatory agencies, roughly in the way envisaged by Prof Gower. But if the statutory body were given sufficient authority and scope, these SRAs could be more numerous, and individually weaker, than Prof Gower appears to recommend. This would tie in better with the apparently limited ambitions of many of the City's existing trade associations.

Such an upheaval in the regulatory framework would ideally be given extended consideration. But the reshaping of the financial markets is meanwhile pushing ahead rapidly. Mr Tebbit's task is not only to make up his mind on a highly complex subject, but to make it up quickly.

Reagan warm, China cool

PRESIDENT REAGAN'S trip to China has not been the foreign policy success he might have hoped for in a U.S. Presidential election year.

His speeches have been censored on Chinese television, despite reported promises that they they would be broadcast to the Chinese people in full. He has, at least according to Chinese accounts, been criticised for U.S. policy in Central America, the Middle East, and the European nuclear theatre.

Mr Reagan, despite hopes to the contrary, failed to prevent Chinese leaders speaking out bluntly against U.S. support for the nationalist regime in Taiwan. Chinese irritation with Mr Reagan's personal commitment to Taiwan was driven home by Deng Xiaoping, the Chinese leader, who repeated at the weekend that the question of Taiwan remained an important source of conflict between the two countries.

A more balanced view of the trip's real achievements may emerge when the U.S. President returns home to explain more fully his side of the story. For the moment the over-riding impression is of a rebuff which the president and his advisors have at least partly invited.

Mr Reagan should have realised that he could hardly go to Peking and lambast the Soviet Union at a time when China is trying to mend its own fences with Moscow. The present, pragmatic Chinese leadership has been signalling for some time that it wants a more balanced foreign policy in which the Soviet Union and the United States both have a positive role to play. Next month Mr Ivan Arkhipov, the Soviet First Deputy Prime Minister will become the most senior Kremlin official for over a decade to visit Peking for talks.

Mr Reagan may still be able to make some electoral mileage from his trip, if only from the pageantry and the symbolism and from the fact that he went to a Communist capital and spoke his mind. But, first impressions must be that the State Department's unease at the mixing of electioneering and foreign policy has proved justified.

Momentum

It will be worrying if the trip slows the momentum of the gradual improvement of relations with the People's Republic over the past decade. There is already a chorus of voices in the U.S. arguing that China benefits a great deal more from the relationship than does America.

More damaging perhaps, many Reagan supporters will argue that China has weakened U.S. support for Taiwan and diverted American thinking from where Washington's real interests in Asia lie—namely with Japan.

Mr Reagan should certainly ponder the lessons of this trip. Perhaps the most important is that the concept of a Peking-Washington axis based upon a common determination to resist Soviet expansionism is no longer realistic.

But this reassessment does not mean that the President should allow himself to be deterred from the constructive job of establishing a solid bedrock of relations between the U.S. and China. For all its inefficiencies and the arbitrary nature of its rule, Deng Xiaoping's regime has given China its longest period of stability and progress since Liberation in 1949.

The awesome job of opening up and modernising China's economy is under way. Deng is engaged in sweeping out the last pockets of left-wing resistance in the party's ranks. China is also, at last, fashioning a foreign policy which is less ideological and more pragmatic in its approach. These are important initiatives which, if successful, will pay dividends for China by making it more stable and, therefore, a more credible trading partner with the rest of the world.

BRITAIN'S MINI ELECTION

Nerves on all sides

By Robin Pauley

LOCAL 84 ELECTIONS

BRITAIN'S Government and opposition parties are awaiting Thursday's local elections and three Parliamentary by-elections—the first nationwide test of political opinion since the general election—with a much greater level of interest than usual, which is more than can be said for most of the voters expected to participate.

Until very recently it looked rather gloomy for the Government. The Labour Party was revitalised and had drawn neck and neck in the opinion polls and the Conservatives had become accident prone in Parliament. The most recent opinion polls show this to be changing again with the miners' strike putting the Conservatives back in a healthy lead.

None of the seats in the three Parliamentary by-elections of South West Surrey (Con), Stafford (Con) and Cynon Valley (Lab) was ever expected to change hands, so the interest surrounds the relative performance of each party. The miners do not appear to be helping Labour.

How far this will also affect the local polls is unclear but in a year lacking of major local issues it could easily become a factor.

In the absence of many very high rate rises and a lack of burning local issues in most areas, voting patterns are more likely to be pounced on by the parties as either confirming or refuting popularity trends.

All the evidence so far is that the local electorate is in a rather cool and detached mood. That is not to say it will not turn out and vote, especially if the sun keeps shining.

Thursday's elections will be for a third of council seats in each of the 36 English metropolitan districts and for a third of the seats in 123 of the 296 English shire districts. In Scotland every council seat in all 53 districts will be up for election, all on new boundaries, and in Wales one-third of the seats in six of the shire districts will be contested. There are no elections in London this year.

Previous local elections have generally produced poor results for the party in power at Westminster. On top of that the Tories have other difficulties. The "Falklands factor," which dominated the 1982 local elections and gave the Government party victories in unthinkable areas, appears finally to have evaporated. This will be very significant in 13 metropolitan districts which last had elections in 1982, including this year's grand prize, Birmingham, which the Tories captured with a majority of just three.

Another source of unease for the Conservatives on Thursday is the contentious local government legislation which has attracted such widespread and persistently hostile comment among all political parties. The rate-capping proposals, in particular, which would give the Government the power to limit councils' expenditure and rate rises, has become an issue everywhere. Candidates of all parties have gone out of their way to emphasise that they oppose the idea.

Unusually, the Conservative leadership is playing the national issues of rate-capping and abolition of the metropolitan counties as a key card in the local election campaign in spite of the deep unpopularity of the policies among many of its own councillors and candidates.

Mr Patrick Jenkin, Environment Secretary, who has been embattled in Parliament since the Rates Bill started its progress, has tried recently to present it as "protection for the ratepayer."

The Labour Party is taking the issue up. "Rate Capping or Blood Letting? Quality of Life at Risk," says a typical leaflet.

A bad result for the Conservatives nationally this week in England and the few Welsh councils with polls will be hailed by opponents partly as a rejection of this level of central involvement in local affairs. Similarly, a poor Tory performance in Scotland, which has already enacted such legislation, will be interpreted as a rebuff for the powers given to the Secretary of State for Scotland to set suitable local rate levels.

This will all be as much of an exaggeration as Tory claims to the opposite effect if they do well. But there is some validity to it and the extent to which the term "rate-capping" has entered the general vocabulary is rather surprising.

In just one city this year, however, the importance of the result on Thursday cannot be overstated: Liverpool (which is the subject of a special article elsewhere in today's FT).

The city is run by a Labour group with a majority of one, has no budget and no rate for the current year and is fighting the election on the basis of seeking massive local support for its policy of confrontation with the Government over cuts. All the signs are that it will win that support impressively.

Liverpool has been at the forefront of the campaign that has been the Labour Party's main electioneering base this year: the support of services against further cuts, coupled with graphic claims about the effect of the reductions in the Government's level of rate support grant. This style of "we'll look after the local things that matter better than anybody else" is clearly starting to have some impact after years of cuts and penalties.

But in many shire areas, away from the big cities, the Labour Party is still saddled with the problem of the changing nature of local Labour parties. In many places moderates are being steadily replaced by the Left, whose euphemism for itself — in the Home Counties at least — appears to be "the committed."

This, of course, is what caused the breakaway formation of the Social Democrat Party. But the SDP does still not appear to have got to grips with local (as opposed to Parliamentary) elections. They say this is partly due to chronic lack of organisational and council experience—an excuse which is now wearing extremely thin—and partly due to the type of candidates the SDP produces.

They tend to be young, upwardly mobile professionals, often with young families, who do not always realise that winning a council seat for the party is the beginning and not the end. What follows, if the party is to be effective, is hours of work, reading, meetings and strategy plotting. This often conflicts with professional and family life.

Some SDP councillors therefore develop a poor attendance record and the party ends up wrongfooted in the council chamber. The Liberal end of the Alliance is less prone to this weakness, partly because it has a much longer history of local government experience.

The Alliance is starting to have a doorstep problem, however, as voters first see how few Alliance councillors are returned compared with the persistently high proportion of the vote—often around 25 per cent—and then how ineffective they can be on the council.

A positive factor for the Alliance, and one which makes this an important litmus test of their national standing with local electorates, is that the majority of this week's seats were last contested in 1980. That was before the SDP was born and it was a very good year for Labour. This means Labour's scope for major gains in those councils is limited but also that the SDP has to knock Labour hard in all those areas if it is to prove that it is still attracting substantial support away from Labour.

Two other unpredictable aspects of the elections which could prove particularly interesting are the impact of Asian voters and the difference in the state of the parties in national and local opinion polls.

A fascinating study by Dr Michel Le Lohe, of Bradford University, "Ethnic Minority Participation in Local Elections," shows that the Asian community now consistently turns out to vote in local elections in proportionally much larger numbers than the rest of the community, and votes Labour by an overwhelming majority.

An analysis in one ward of Rochdale in 1981 showed 44 per cent of Asians voting compared with 29 per cent of all other groups and in Bradford's University ward the same year 58 per cent of the Asians voted compared with 23 per cent of the others.

This pattern is repeated throughout the Asian communities and, as they have so far remained loyal to Labour, this turnout reliably gives that party an added edge in several major cities such as Leicester and parts of Leeds and Bradford.

The latest MORI opinion poll, published in the Sunday Times, shows that the Conservatives nationally appear to have moved ahead of Labour, after some months of parity, and now have 42 per cent support against 36 for Labour and 20 per cent for the Alliance. However, Council by-election performance shows Labour still ahead of Conservative and the Alliance much stronger than it appears nationally — nearer 30 per cent of the vote than 20 per cent.

A New Statesman analysis also shows March was the worst month for the Tories in council by-elections since the Falklands war. They lost eight out of their 16 seats and gained just one. Five of the losses were to Liberals and three to independents.

Labour had one of its best months losing only one of the 11 seats it was defending and gaining two. The SDP did badly losing both its seats and gaining one; their Liberal allies did very well losing one out of four but gaining six more.

Which leaves it all, as every year, wide open but with the Tories biting their nails more anxiously than the rest.

All eyes on the town hall voting patterns this Thursday: Mrs Margaret Thatcher (left), Mr Neil Kinnock (right) and Mr David Steel and Dr David Owen (bottom right)

THE RESULTS: WHAT TO WATCH FOR

CONSERVATIVES

They will be doing well if they:
- can hold Birmingham;
- win Bristol, Bradford and Worcester;
- can push Labour out of overall control in Basildon;
- can hold Reading.

They will be doing badly if they:
- lose control of more than 10 councils;
- lose St Albans or Southampton;
- get pushed into third place often by the Alliance;
- there is a very low turnout.

LABOUR

They will be doing well if they:
- can take Dudley;
- increase their majority of one in Liverpool;
- win Edinburgh;
- win control of more than 10 authorities.

They will be doing badly if they:
- lose control of any council;
- fail to regain Birmingham;
- fail to become the majority party in Stirling;
- cannot gain control of Stockport or Brighton.

ALLIANCE

SDP-Liberals will be doing well if they:
- take North East Fife;
- become the second largest party in York;
- can take either Cheltenham or Eastbourne;
- the number of hung councils increases.

They will be doing badly if they:
- lose control of Adur or Hereford;
- fail to take 25 per cent of the vote overall;
- do not take Inverclyde;
- third place appears to be natural slot.

New lines for National Freight

The City can expect to hear more from the employee-owned National Freight Consortium after October when Sir Peter Thompson, currently chairman and chief executive, relinquishes the latter role to concentrate on planning and longer term strategy.

Although the earliest date for flotation of NFC is February 1987 (five years after the employees bought their company from the Government), several years of planning would not go amiss, if this is the course the shareholders decide they wish to persue.

As the only trading in the shares is now between employees and ex-employees, the city has displayed far less interest in the pioneering NFC than those politicians who cite it as a brilliant example of what employees can achieve when liberated from the yoke of the state.

Sir Peter, aged 56, will be helped by James Watson, currently finance director, who will become deputy chairman (finance) from next January.

It was agreed between the board and Sir Peter some time ago that the two jobs of chairman and chief executive should be split when progress in the group made this possible.

The new chief executive, who takes over in October, will be Jack Mather, aged 48.

In keeping with top appointments within NFC in the past Mather is an internal appointee. He has had management experience in most of the group's transport and travel activities including heading the property group.

The rationalisation of NFC's extensive property interests has been the key to the successful development of NFC within the private sector during a harsh economic climate for the transport industry.

Mather is one of five group managing directors—and the youngest bar one.

As well as property he heads up the special traffics group, an amalgam of services which has not done as well as Sir Peter hoped when setting it up.

Men and Matters

Golden bottles

Claude Taittinger, president of the family firm Champagne Taittinger—one of the handful of family firms not yet bought out in the champagne business—is so fed up with the abuses suffered by his fine wine in centrally heated flats and on supermarket shelves that he has taken action to protect his product.

"They have failed to resolve the environmental problems caused by ultra violet rays, and the obvious effects of a cork which dries out due to bottles being stored upright," he complained during a fleeting visit to London yesterday.

His brainwave is to sheath bottles in a protective gold-toned plastic coating which, he promises us, "protects the wine and keeps its qualities of freshness and flavour," until it is drunk.

So far he is only putting the best of his 1978 vintage into the new protected bottles. And, I am assured, they will not be cheap.

But gold packaging is the bubblier image of the champagne business. Back in the vineyards there are sterner problems facing the champagne houses.

Claude Taittinger is leading a struggle by some of the older of the grand marques against the small land-owners who want to plant more vines and increase production from the current 210m bottles a year to 280m bottles a year by the end of the century.

"Can we be sure that vineyards not yet planted will produce the same quality of grape?" he asks.

The root of all evils is of course, at the bottom of champagne development plans.

Land accepted as a producer of grapes for champagne increases in value by a factor of 15. No wonder there are pressures to widen the champagne territory.

"I didn't buy a flat in the Barbican to have to look at stuff like this every morning"

Fairey tale

When young John Gregson was the errand boy at Fairey he got a roasting from his boss—the commissionaire. Gregson, then aged 15, was caught trying on the bowler hat of King George VI, who was visiting the firm.

Whatever happened to the commissionaire is not recorded. But Gregson stayed on for a further 45 years and is now Lord Gregson, a director of the company.

Derek Kingsbury, chief executive of Fairey, has just given a dinner for his colleague and 180 guests, reasoning that after so long with the company Gregson should not have to wait another five years until his retirement.

For Gregson the dominating theme of his long stint at the engineering face has been the advance of manufacturing technology. Highlights include his work for the post-war nuclear industry, and, in the mid-1950s, computer controlled machine tools to sculpt complex aircraft sections out of solid metal.

Wet ground

In an effort to placate Britain's 450,000 nurses, Social Services Secretary Norman Fowler strayed into dangerous ideological grounds yesterday.

While the wetness of some of Fowler's remarks to the annual conference of the Royal College of Nursing may have taken something from the damp air of the Yorkshire spa town of Harrogate, his advocacy of consensus was in marked contrast to Mrs Thatcher's view.

In her recent Panorama interview, the Prime Minister virtually redefined consensus not as agreement, but as conviction—or at least, as an agreement by everyone on the basis of her own convictions.

But contrast Fowler: "Consensus is vital to the management of any organisation, and it is particularly vital in a multi-professional body like the National Health Service where the objective of management is to enable professionals to provide service to patients.'

"A good manager by definition takes others with him. Decisions need to command the confidence of those who have to carry them through, if they are going to be fully effective."

Market forces

From New York comes the story of the bankrupt stockbroker who was about to end it all when he heard a quiet voice say: "Cheer up, my friend. Things could be worse."

So he cheered up—and sure enough, things got worse."

Observer

CENTRAL AMERICA

Reagan's creeping commitment

By Robert Graham, recently in Tegucigalpa

"THE HONDURAN farmers picked the cotton just before we arrived, and, just imagine, they will be picking the cotton here again next year," says Lt Col Grant Fredericks, surveying his team of 278 U.S. Engineers. But the evidence suggests otherwise. In searing tropical heat, the engineers are transforming a sleepy cotton-growing valley in southern Honduras, into a fortified base camp and an airstrip.

Col Fredericks' men began levelling the airstrip on April 10 and expect to finish within 60 days. They are working at times over 14 hours a day, consuming a quart of water an hour in the sun to stave off the dehydration. "It's the finest training exercise my men will have in their army careers," says Col Fredericks, a veteran of Vietnam and the U.S. intervention in the Dominican Republic.

The airstrip is strategically located at Jamastram, 20 miles from the Nicaraguan border. It controls one of only three surfaced roads which lead from Honduras into Nicaragua.

Jamastream is a "hasty C-130 airstrip," Pentagonese for a 4,600 ft packed dirt runway that can take any aircraft up to and including a C-130 transporter—the workhorse for rapid regional deployment. Another such facility is being built on the same schedule at Cucuyagua, in the strategic triangle of Honduras which borders both Guatemala and El Salvador.

Together they are the latest example of growing physical U.S. involvement in Central America, using Honduras as a linchpin base. It is from here that President Reagan is seeking to neutralise the Marxist-orientated Sandinista regime in Nicaragua and to halt what the Administration sees as Soviet and Cuban interference in the region through support for left wing guerrillas in El Salvador and Guatemala.

U.S. officers in Honduras insist such facilities are temporary, part of continuing joint exercises with the Honduran military that began 14 months ago. But they admit that Jamastram and its sister airstrip can be "adapted to meet the temporary needs of the situation."

Officially the U.S. presence in Honduras is only to train the Honduran armed forces and provide proper "environmental training" for the American army. Nevertheless Mr Fred Ikle, Under Secretary for Policy at the Pentagon, and one of President Reagan's most hard-line aides on Central America, concedes that as a result "if a contingency does arise in the region we can cope with it more effectively."

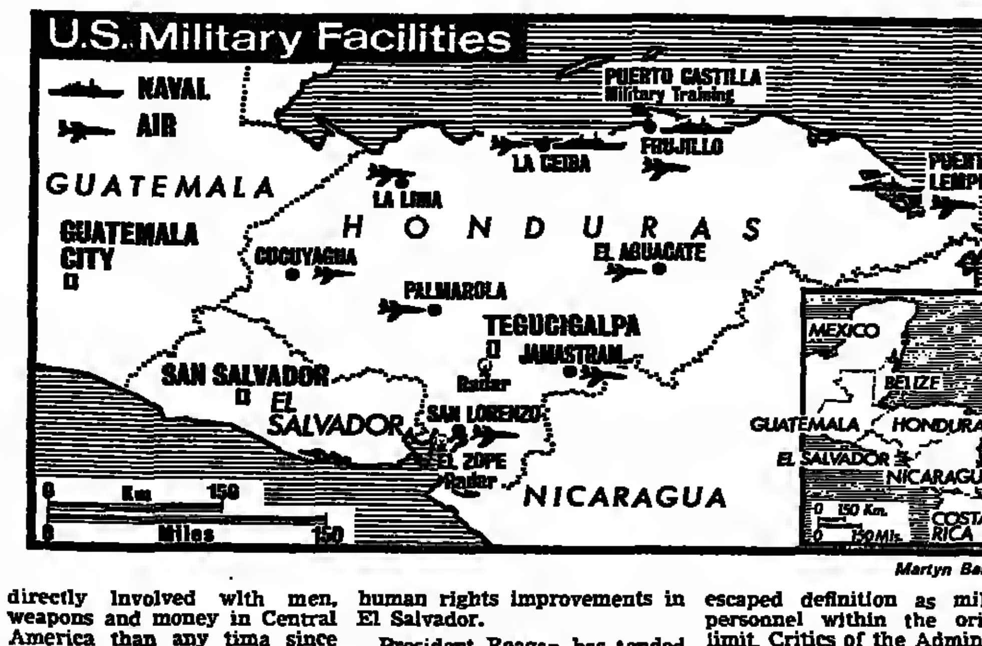
Infrastructure to launch large-scale intervention

In less than two years the U.S. has established the essential infrastructure to launch a large scale intervention anywhere in Central America from Honduras. In place also is the necessary logistic support for covert aid to rebel groups operating from Honduran territory to overthrow the Sandinista government.

By June the U.S. will have operational four airstrips and four hard top airfields in Honduras—the biggest, Palmarola near the capital Tegucigalpa, can accommodate the largest aircraft in the American inventory, the Galaxy transporter. Apart from a beefed up embassy staff and personnel training the Honduran army, there are 1,700 U.S. servicemen on "an interim presence basis." These men are engineers, logistics staff and personnel manning radar and reconnaissance facilities that monitor activity by the guerillas in El Salvador and the Sandinistas in Nicaragua. Over and above this are the U.S. military drafted in for manoeuvres making up to 5,000 or more at any one time.

Five years ago there were no more than 30 Americans in uniform throughout the country. From being a Grade IV diplomatic post, Honduras has been raised to Grade II and given one of the largest diplomatic staffs in the Western hemisphere headed by an ambitious career diplomat with experience of Vietnam, Mr John Negroponte. Mr Negroponte's arrival in late 1981 reflected the White House's desire to instal its own proconsul in the region.

Remarkably, President Reagan has built up this capability, and raised the general level of direct U.S. involvement in the region, despite constant comparisons with the early days of Vietnam. The U.S. is now more directly involved with men, weapons and money in Central America than any time since the late twenties when U.S. marines were sent to crush the Nicaraguan nationalist General A. C. Sandino.



Martyn Barnes

President Reagan appears to have three aims:

- Harass the Sandinista regime in Nicaragua through the threat of intervention, and back anti-Sandinista rebels in the hope of the latter's overthrow.
- Cut the flow of supplies from Nicaragua to the left-wing rebels in El Salvador.
- Support the Government of El Salvador to beat these rebels grouped under the FDR/FMLN organisation.

Congressional objections to this policy have received a good deal of publicity—most recently the furore over the CIA's direct involvement in the mining of Nicaragua's ports and cuts in emergency military aid to El Salvador. However, so far these objections have done no more than slowed the trend of involvement. Policy has not been altered.

Indeed President Reagan has not yet been successfully challenged on the core of his policy: his war by proxy against the spread of communism in Central America. Rather the constraints have been imposed at the periphery; concerning the type of covert aid to the "contra" rebels; the amount of money really needed by the Salvadorean armed forces; restrictions on funds pending human rights improvements in El Salvador.

President Reagan has tended to treat these as irritations to be by-passed. Before Easter, for instance, he side-stepped the congressional deadlock on $62m worth of emergency military aid to El Salvador by invoking a special clause in foreign assistance legislation which enables funds to be handed over and accounted for 60 days later.

The military presence in Honduras is in part a device to circumvent President Reagan's own self-imposed limit of 55 American military advisers in El Salvador. A training centre was set up last year on the Atlantic coast of Honduras at Puerto Castilla. Here over 100 Special Forces are training El Salvadoreans (1,500 last year, 3,400 this year) and Hondurans. Honduran territory is also being used as a base for U.S. OV-I (mohawk) reconnaissance flights over El Salvador. At the same time Honduras is used to rotate U.S. personnel in El Salvador, enabling what one Western diplomat in El Salvador described as a "24-hour use of manpower."

The Administration has also redefined what it regards as military personnel, effectively raising the number in the country to 97. This was largely achieved by boosting the Defence Attache's office in the San Salvador embassy to 26, including two helicopter crews. Another 23 military doctors recently brought in have also escaped definition as military personnel within the original limit. Critics of the Administration believe U.S. personnel in El Salvador are already in combat advisory roles. Certainly at a senior staff level on both sides it is admitted that the U.S. is doing its best on a daily basis to tell the Salvadoreans how to win their war.

Another tactic of the Reagan Administration has been to blur the sources of funding for operations in Central America. Part of the radar, aerial reconnaissance and the airstrips have been set up as "temporary" facilities funded from the Federal Defense training budget. No cost of the 14 months of exercises in and off Honduras has been given. At Jamastram alone vehicles are using 1,400 gallons of fuel a day. The "Contras" also benefit from Congressionally approved facilities for Honduras.

In the case of El Salvador an important slice of economic assistance comes as a result of including it in the Caribbean Basin Initiative—it is the largest consumer of funds in the CBI even though it has no Caribbean coast.

Those responsible for policy like Mr Ikle contend that vigorous assertion of American authority in the past two years has frightened the Cubans, kept the Soviets at a distance, forced the Sandinistas to be less belligerent towards their neighbours and given the Salvador government the edge against the guerrillas.

Administration critics like Mr Wayne Smith, a former diplomat and expert on Central America, now at the Carnegie Endowment in Washington, are less sanguine. He sees no sign of a break through against the guerrillas in El Salvador and the Sandinista government solidly entrenched in Managua.

"All that has happened is that the stakes have been raised and we are having to provide more of everything," he says. In four years economic and military aid to Honduras has moved from $58m to $247m, while in the case of El Salvador it has jumped from $246m to a projected $573m.

"In 1981 we were being told there were 3,500 guerillas and the Salvador army was too small to cope. Now our defence people tell us there are 12,000 guerillas and the army is still too small, needing to be raised to over 50,000," Mr Smith adds.

President Reagan's advisers argue that given more aid and more time the tide will turn. There is an inexorable process about the way in which such an attitude leads to increased involvement. Take the case of the improved intelligence now provided by the U.S. This is only useful if acted on quickly. But that requires a substantial delivery of helicopters, perhaps doubling the present fleet to 40. These will in turn require gunships for protection and medevac helicopters to evacuate the wounded.

Blurring the sources of funding

Greater action means more ammunition, more casualties, more attrition of material — and almost certainly more U.S. advice "close" to the battlefield.

To "win" on President Reagan's terms will require more money and physical involvement. Even if people believe he is basically right in wanting to protect U.S. interests in Central America, he may find it increasingly hard to justify the present approach instead of a diplomatic one in trying to bring peace to the region.

Lombard

Test your City knowledge

By Richard Lambert

A MAJOR upheaval is under way in London's financial community. How closely in touch are you with what is going on? Test your skill and knowledge in the FT City Shake-up Quiz. Who do you think kicked off a discussion paper about the future of the securities industry with the phrase: "The starting point is the proposition that The Stock Exchange is itself an enduring institution"?

a) *Harvard Securities.*
b) *The Stock Exchange Council.*
c) *Don't know.*

How many times do you think the Stock Exchange Council sent its paper on the future of the marketplace back to be re-drafted?

a) *More than 20.*
b) *More than 40.*
c) *They lost count.*

Can you define the difference between the traditional jobbing system and the Exchange's proposed competing market-maker system in

a) *Less than 50 words.*
b) *Less than 500 words.*
c) *It can't be done.*

You are the Governor of the Bank of England. The top men from Reuters request an interview, and tell you that in return for a modest sum they can set you up an electronic dealing and monitoring system for the gilt-edged market in double-quick time. Do you say:

a) *Leave my parlour this instant. The hallowed floor of the London Stock Exchange must never be threatened.*
b) *Where do I sign?*
c) *I don't know.*

How often do you think the Bank of England and the Department of Trade are now meeting under the arrangements made last summer to monitor the separate capacity of jobbers and brokers?

a) *Twice a week.*
b) *Once every second leap year.*
c) *Pardon?*

As a partner in Cazenove, Pitman and Bekhor, you have just matched a buyer and seller of 2m BP shares. Will you

a) *Show the deal to De Wedds, Morgan, the leading market maker in the stock, as requested by the Stock Exchange?*
b) *Break open the Moet et Chandon?*
c) *Don't know.*

As manager of the Megabuck Pension Fund, which of the following do you think is going to win out in the big transactions.

a) *Your dealer.*
b) *The broker dealer's dealer with whom your dealer deals.*
c) *The market maker's dealer dealing with the broker dealer's dealer with whom your dealer deals.*
d) *Merrill Lynch.*

Having decided to sell 2m shares in ICI, you have just checked out the terms offered by Broker A. While you are phoning up Broker B to see if anything better is on offer, do you think Broker A will be

a) *Breaking out the Moet et Chandon.*
b) *Busily positioning himself in the market against you.*
c) *Saying "I don't know."*

You have decided to deal with Broker B, who is making a net price and charging no commission. How will you discover how much he is making out of the deal?

a) *Ask him.*
b) *Ask the Stock Exchange.*
c) *Give up.*

What do you think the private investor will gain from the move to negotiated commissions?

a) *Lower commissions.*
b) *Improved investor protection.*
c) *A chance to meet Mr Alex Fletcher, the Minister looking after his interests at the Trade Department.*

What future role can you see for the Council for the Securities Industry? (Candidates are requested not to answer this question.)

What do you think the clearing bank chiefs expect to get out of their investments in stock exchange firms?

a) *An invitation to Royal Ascot.*
b) *A new salary structure.*
c) *They don't know.*

If you answered more than half of these questions with any degree of confidence, there is a six-figure salary awaiting you in the City. If you answered (c) in most cases, join the rest of the crowd.

Letters to the Editor

19th Century excesses

From Mr M. Greener

Sir,—Having obtained monopoly power over any one factor of production to then use that power for the procuring of private gain at the expense of public good was one of those excesses of 19th-century capitalism which no one would now seek to defend.

That Mr Scargill should essay to lead the mineworkers on a parallel course in 1984 in the name of Marxist-Leninism (albeit his own quaint interpretation thereof) is surely an exercise in double-think which quite beggars the imagination. Is it conceivable that sheer effrontery may succeed where reasoned argument would most certainly fail?

Michael Greener,
33, Glen Hafren, The Knap, Barry, S. Glam.

From Mr T. Simms

Sir,—Mr Stewart points out (April 25) that on all the occasions on which he has seen Mr Scargill being interviewed, he has never heard anyone ask him what kind of socialist he is.

This could be because, from many of Mr Scargill's actions and utterances, for example his declaration of his opposition to wage controls, it is manifestly clear that he is not a socialist of any kind.

Although his answer would be unlikely to be of much interest to us, a more appropriate question might be to ask him what kind of socialist he thinks he is.

Terry Simms.
8 Heden Lane, Cleeve Prior, Worcs.

From Mr S. Mizel

Sir,—Mr Stewart (April 25) appears to imply that TV interviewers have shallow knowledge of the nature of socialism, when he says that "he has never heard anyone ask him (Mr Scargill) what kind of socialist he is."

I am not sure, however, what is meant by "what kind of socialist." To a dedicated socialist, there is only one kind of socialism. Historical evidence shows that the socialism of the Webbs and Labour Party, to the socialism of the Communists and Trotsky militants, has inevitably led to takeover and Soviet-style socialism and Communism. There is no compromise in its insidious advance.

S. John Mizel.
12 Chepstow Place W2.

From Mr John Clarke

Sir,—I find Mr Scargill's repeated assertions that British deep-mined coal is the cheapest in the world rather tedious and the NCB's contradictions equally so. Both the CEGB and I buy coal, and while the quantities differ our interests are the same in that we both need good coal at reasonable prices. Whether it is deep-mined or not is quite irrelevant.

The argument is analogous to that of free-range eggs. The majority of the British public and I buy eggs which we require to be of good quality at reasonable prices. Certainly there is a strong demand for free-range eggs at premium prices, but no one has yet proved conclusively that free-range are superior to other British eggs.

John Clarke.
54 Abridge Park, London Road, Abridge, Essex.

Loan guarantee Zimbabwe-style

From Mr J. D. Rattle

Sir,—In view of all the recent publicity concerning the operation and appropriateness of the Government's Loan Guarantee Scheme, may I acquaint you with a similar but also distinctly different scheme of which I have had first-hand experience in Zimbabwe?

In 1978, the Finance for Emergent Businessmen Company (FEBCO) was established as part of the Reserve Bank of Zimbabwe. Having no loan funds of its own, its purpose is to provide an independent viability report on any business requesting finance from one of the four high street banks in Zimbabwe and in a situation where the business is unable to provide sufficient security for the size of loan required.

The procedure is normally as follows. The applicant business approaches its normal bank with a request for a loan. Having established that the amount of security available is insufficient to back up a normal bank loan, the applicant business may be referred to FEBCO.

Upon receipt of a fairly detailed form from the business, together with a Z$10 (about £6) fee, FEBCO sends one of its business evaluation officers to the business to write a report on its management and viability. These reports are then considered at one of the regular two-weekly meetings by a committee comprising representatives of FEBCO, the Reserve Bank and the four high street banks which participate in the scheme.

Even if the applicant's bank gives a negative report on the applicant on the FEBCO application form, this in itself does not preclude the committee from backing the applicant. Indeed, if the committee says yes and the bank says no, FEBCO is enabled to go back to the bank manager concerned and try to persuade him to change his mind.

If, finally, both FEBCO and the bank are prepared to back the applicant, then the business is typically asked to provide a third of the security required, with FEBCO and the bank providing the other two-thirds in equal part. The bank actually lends the money and as the loan is gradually repaid the exposure becomes less and less for the bank and FEBCO as the business's security stays in place right to the end.

The rate of interest charged is at present two percentage points below that normally charged to such a borrower and only one percentage point above that charged to blue chip companies. This extra percentage point allows FEBCO to defray its costs in setting up the loan facility.

Thus the well-managed small business is able to borrow money at a favourable rate and under terms where it only has to find, typically, a third of the necessary security itself. This scheme therefore overcomes many of the shortfalls of the LGS—the lack of commitment by the borrower, the high rate of interest charged and the critical position of the local bank manager vis-à-vis the initial application.

Indeed, under the FEBCO scheme a new business can apply directly to FEBCO and then be referred to a high street bank later.

J. D. Rattle.
Job Creation,
17-18, Old Bond Street,
London W1.

Accounting for inflation

From Mr Martin O'Regan

Sir,—The proposals to deal with accounting for inflation by Mr Ian Hay Davison as chairman of the Accounting Standards Committee should have all possible support to bring to a practical end an intellectual debate that has gone on, to my certain knowledge, for more than 30 years.

Are accounts not truly informative? I look through the columns of all the financial Press and find scant recognition, or use, of the current cost accounting information now available. There is an enormous work effort involved which produces a very subjective answer, as indeed there must be, when you move away from the base-line of historic costs, perhaps better described as actual costs.

The modern annual report contains a great deal of information expensively produced, probably too much even for the analysts. Should we not start a new debate on what could be left out rather than adding more and more unabsorbed material. There are many features more urgently read and readable such as the chairman's forecast, statements of accounting policies, source and application of funds, 10-year records and so on.

The flag of universality is fine to follow. After all, in Britain we all drive on the left side. But that does not mean we all drive in the same vehicles, at the same speed, and with the same economy and performance.

Can accounting for inflation ever have the precision and universality that you seek? We have at least four dimensions to report—the measurement of trading performance, asset valuations, currency transactions and changes in the value of money.

Mr Ian Hay Davison's recommendations are clear, simple and should be implemented. The debate on accounting for inflation can then be put to rest.

Martin O'Regan.
7, Sussex Square,
Brighton BN2 1FJ.

Krugerrands as investments

From Mr C. R. Benson

Sir,—How good are Krugerrands as investments? Here are South African prices for April 1984 and May 1980:

	April 1984	May 13, 1980
Kruggerrand	R535	R535
Proof KR (SA Mint price)	R700	R700
Gold price in $	$380	$512.25

If gold reaches $512 again by 1986 this could possibly be accompanied by a strengthening of the Rand to its Rand-dollar exchange rate of May 1980. So the ordinary Krugerrand could still be selling at R535 in 1986 and the Proof at R700.

But these prices conceal an annual loss through inflation of roughly 15 per cent since 1980, and ignore the fact that there is no income from Krugerrands as investments.

While other investments yielding good incomes have doubled or trebled since 1980, Krugerrands have in fact lost roughly 60 per cent of their value through inflation alone, not counting lost income. As investments they deserve the wooden spoon.

C. R. Benson.
Rhcede Centre,
Rhcede Street, Cape Town.

FINANCIAL TIMES

Tuesday May 1 1984

PENTAGON RESERVATIONS ON JOINT WEAPONS PROGRAMMES OVERRULED

U.S. rejoins Nato warship study

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE U.S. Government has withdrawn its objections to U.S. participation in a major Nato project for a frigate for the 1990s.

A feasibility study for a frigate, from which the Pentagon effectively withdrew last month, is to go ahead after intervention by Mr Caspar Weinberger, the U.S. Defence Secretary and Mr George Shultz, the U.S. Secretary of State.

Such high-level intervention reflects the Administration's concern at the criticism levelled at Washington for its attitude to the frigate and collaborative arms production.

A review ordered by Mr Weinberger and backed by Mr Shultz overturned a decision originally said to have been taken by the Pentagon's legal department under pressure from the navy and associated U.S. industries.

The U.S. decision to withdraw from the project for the 3,000 to 3,500-ton frigate caused bitterness in Brussels in April, when national armaments directors gathered for what they believed to be a routine ceremony to sign a memorandum of understanding for the $15m feasibility study.

Industries from the eight Nato nations – Canada, France, West Germany, Italy, the Netherlands, Spain, the UK and the U.S. – completed pre-feasibility studies on the project in February. The mid-April signature should have been routine, but at the last minute Mr Richard de Lauer, Assistant Secretary at the Pentagon for research and engineering, produced a list of reservations which his European counterparts said vitiated the whole agreement. Many said it threw doubt on U.S. sincerity in pursuing joint weapons programmes on an equal basis.

The U.S. now appears to have completely withdrawn those reservations. It is suggesting to its allies that to save time, ambassadors to Nato should sign the original memorandum this week, possibly tomorrow.

The feasibility study is to be conducted by a joint-venture company based in Hamburg, which includes Marine Technik Gesellschaft of Germany and Thompson CSF of France.

European officials in Brussels yesterday expressed relief at the new U.S. move, although one said that he would not recommend that his ambassador signed until the text had been closely checked against the original.

The study is expected to take about 18 months. Officials have never been particularly optimistic that all nations would actually participate in building a joint warship. They believe there could be continuing problems originating with U.S. pressure groups.

The project has now, however, become a major test case of the alliance's will – and in particular of its senior partners – to honour the much repeated verbal commitment to collaboration in arms manufacture

Latest Japanese tariff cuts disappoint Brussels

By Paul Cheeseright in Brussels

JAPAN'S FIFTH package of economic measures since December 1981 to open up its domestic markets for foreign goods yesterday met a damp reaction from the European Economic Community.

"It is not evident that it will lead to the kind of dramatic results which would be necessary to achieve a better balance in the trade relationship between the EEC and Japan," said the European Commission.

Last year the EEC had a trade deficit of over $10bn with Japan. The present strength of Japan's exports suggests that this figure could be exceeded in 1984.

But the Commission sought to qualify its disappointment with the trade measures by praising the "political spirit" of the package, which was evidence of "a continuing political commitment in Japan" to internationalise its economy.

The package covers tariff eliminations and reductions, the liberalisation of the tobacco distribution system, simpler procedures for the testing and certification of imports and the promotion of imports.

But the Japanese Government refused to adopt the EEC suggestion of nominating a target figure for the value of imports and, while it made a commitment to the liberalisation of the capital markets, it announced no specific measures. Japanese officials said later that precise proposals would come this month.

Commission officials are privately concerned that the greater part of the package, announced last Friday, seemed to be directed at the U.S. and at forestalling difficulty at the forthcoming London summit.

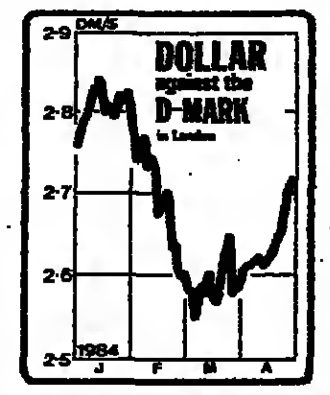
Formally, the Commission estimated that the tariff reductions and eliminations would cover only about 2 per cent of EEC exports to Japan. The products include tomato puree, camphor, mink furskins, jewellery, dental instruments and measuring apparatus.

But the details of the cuts are not yet known, Japanese officials said

THE LEX COLUMN

Return of the mighty dollar

The UK's current account performance has been suspiciously volatile over the past few months, so perhaps not too much should be read into yesterday's March figures. None the less, the fact that export volume indices fell in all but three categories is not exactly encouraging.



The dollar

In the most perfect of worlds, a foreign exchange market staffed exclusively by economists and central bankers, the dollar would by yesterday evening have disappeared off the bottom of dealing room charts. As it was, the U.S. currency was testing new highs against the pound and recovering yet more of the ground lost earlier in the year to the D-Mark.

Even by its own standards, the dollar is showing a remarkable disregard for economic fundamentals. Friday's U.S. trade figures had pushed the first-quarter deficit to almost $30bn which, assuming roughly constant currency parities, leaves open the possibility of a full-year trade shortfall of $120bn or more. The deficit on the current account, meanwhile, could easily total $85bn, a figure in quite a different class from any yet recorded.

The dollar has admittedly been benefiting from the growing industrial relations unrest in West Germany and, to a lesser extent, the UK. That, however, would hardly explain a 5 per cent appreciation against the yen over the past month. Moreover, the Bundesbank has been busily supporting its own currency, unwinding the foreign exchange positions built up during the period of French and Belgian franc weakness earlier this year.

The most plausible explanation is that the dollar is again being buoyed up by wide short-term interest rate differentials. On the face of it, yesterday's announcement of a 1.1 per cent fall in March leading indicators and of a sharp drop in private home sales might have helped to dispel fears that the Federal Reserve will be obliged to take firmer action against the pace of economic recovery.

Yet, in the event, these numbers proved to have been well discounted, and Eurodollar rates inched 1/16 higher in the course of the day. The market is apparently drifting towards the view that the Fed may take little on trust at next month's FOMC meeting – perhaps its last opportunity to adjust policy ahead of the election – and that the budget deficit may dictate the level of rates, recovery or no.

Property

Hammerson Property flagged its 1983 dividend and earning performance last January in the process of acquiring Mascan Corporation in Canada, so yesterday's preliminary 1983 statement from the group stole even less thunder than usual from its full report and accounts due in three week's time. Pre-tax profits at £26.9m ($37.7m) marginally exceeded January's statement, pointing again to the quality of Hammerson's office portfolio in Australia and the pace of growth in its North American subsidiaries. The group's net assets value seems unlikely to be disclosed at less than £10.50 per share later this month. At 855p, the A shares on a discount of 19 per cent still enjoy a premium rating in the sector.

Meanwhile, though, the sector's average discount has now fallen to around 22 per cent. Property shares have moved about in line with the market in recent months and seem unlikely to roar away from these levels now that the first real signs of cyclical recovery are emerging – indeed, some stabilisation of primary and standard property rents looks the least the market might expect if it is to hold at this level. But there is some evidence from estate agents' surveys so far this year of a rise in demand for London office space too strong to put down to the normal cycle – and there is growing optimism in the industrial sector too, where the budget could have a useful impact if it accelerates capital spending plans.

This all adds up to the chance this year of a real growth in rentals in the UK for the first time since 1979, to complement asset revaluations among the leaders of perhaps 6½ to 7 per cent. The average yield in the sector is down to 3.7 per cent, but could yet fall lower still.

Foseco Minsep

The broad outline of the performance of Foseco Minsep is of a company riding the crest of economic recovery, its results thrown into sharp and positive relief by poor figures a year ago.

The market welcomed the 39 per cent increase in pre-tax profits to £20.6m, marking the shares up 9p to 197p, in recognition of what was perhaps the biggest pleasant surprise – the extent of the turnaround in North America in the main Foseco-Metallurgical sector which picked up on the back of the recovery in U.S. steel output.

But recovery elsewhere in metallurgy was patchy and the trading margin at just under 7 per cent, although better than 1982, was well down on the 10.2 per cent recorded in 1981. The returns from the two other major sectors provide a sharp contrast – good margins from Fosroc, but continuing inadequate returns from Unicorp.

For the current year the cyclical upturn should be enough to take Foseco on to £28m pre-tax, putting the shares on a prospective p/e of about 11, assuming a 42 per cent tax charge. But the group still has much to do in the way of diversification to insulate itself properly from the peaks and troughs which have been a feature of its performance in recent years.

Row after Christiania and UNI join forces

By Fay Gjester in Oslo

A CO-OPERATION agreement between Norway's second largest commercial bank, Christiania Bank, and the country's biggest mutual insurance group, UNI Forsikring, has provoked controversy in Oslo and may lead to counter-measures by other leading banks and insurance companies.

Christiania and UNI have announced a link-up through the latter's purchase of a 50 per cent stake in Lefac, a finance company which was previously 100 per cent-owned by the bank.

Mr Thorleif Borge, UNI managing director, described the trio as the "Lefac group", and Mr Tor Moursund, Christiania managing director, said it was in the national interest that two of Norway's leading financial organisations should join forces to meet the expected pressure of foreign competition. (Norway is in the process of easing curbs on foreign banks and insurance companies).

It was stressed that the Lefac joint venture is only a first step towards an extensive co-ordination of activities by Christiania and UNI, although no merger is contemplated.

They have agreed not to enter into similar deals with other banks or insurance companies, to make the greatest possible use of one another's facilities, and to co-operate in developing and marketing banking and insurance services.

Norske Folk and Norges Brannkasse, the two partners in UNI Forsikring, have agreed to withdraw their representatives from the boards of two finance companies, Factoring Finans and Elcon, in which their partners have been, respectively, Den norske Creditbank (DnC) and a group of savings banks together with the Gjensidige Insurance Company.

UNI would "seriously consider" a favourable offer to sell its stakes in both Factoring Finans and Elcon, Mr Borge said.

UNI first approached DnC regarding co-operation deal, but switched to Christiania because it was prepared to offer more comprehensive collaboration.

DnC said it regretted the apparent end of its lone-standing association with Norske Folk, which in the past has banked mainly with DnC. It also said it had refrained, to date, from establishing deals of the kind envisaged between UNI and Christiania, because this could make its customers feel restricted in their freedom to do business with finance and insurance companies.

Storebrand-Norden, Norway's largest insurance group, said the deal could eventually affect its own recent co-operation project with Christiania, covering a special combined savings and pension package which the two have agreed to market jointly.

UNI is paying Christiania NKr 125m ($16.2m) for the 50 per cent stake in Lefach – NKr 88.9m above the shares' book value. This compares with Christiania's operating profit of NKr 330.5m in 1983.

U.S. inquiry may delay Chicago futures link with Singapore

BY CHRIS SHERWELL IN SINGAPORE

DELAYS IN U.S. approval for the unique "mutual offset" arrangement between Singapore and Chicago are threatening to delay even further the start of the island state's new financial futures exchange.

The exchange's opening has already been postponed once, from May 2 until some time in June, because the U.S. Commodity Futures Trading Commission (CFTC) must scrutinise the offset plan closely to ensure that transactions that might manipulate prices cannot be disguised.

Under the mutual offset system, open positions on one exchange can offset opposite positions on the other. The link will mark a crucial step towards around-the-clock global futures trading.

The position now is that details of the link between the Singapore International Monetary Exchange (SIMEX) and the Chicago Mercantile Exchange have been published in the U.S. Federal Register and are open for public comment for 30 days ending May 20.

This period could be extended to 45 or even 60 days if another affected party – such as another futures exchange – insists. As a result, approval by the end of June is now regarded in Singapore as a reasonable target, making a mid-July start-up more likely.

This means SIMEX would only become fully operational at the height of the summer holidays in the U.S., a distinct disadvantage. However, it now plans to start with four rather than three contracts to add to its attractions.

Application is being made this week to the CFTC for approval of a U.S. dollar/D-Mark foreign currency contract. This will be in addition to a U.S. dollar/yen contract, and three-month Eurodollar interest rate contract, and a gold futures contract.

Because no new issues are involved, approval is thought likely. Hopes are high that the addition will help SIMEX, even though it involves no Asian currency, because the D-Mark has been relatively volatile on the foreign exchanges in recent months.

The two exchanges have still not finalised arrangements for their gold futures contracts. Although both agreed on delivery in London, problems arose because of Britain's valued-added tax, which makes the arrangements less economic.

One option being considered is for SIMEX to have an account with the major London dealers not subject to such tax and for those taking delivery of physical gold to do so through these dealers.

With a change in the existing gold futures contract inevitable, trading on Singapore's market the precursor to the new exchange has virtually dried up.

SIMEX membership has, meanwhile, received a boost with the recent decision of Japan's Finance Ministry to encourage five Japanese banks in Singapore to apply. They are seeking membership initially as corporate "non-clearers"

Swiss to curb property sales

BY JOHN WICKS IN ZURICH

BUYING non-commercial property in Switzerland will become more difficult for foreigners next year – whatever the outcome of a national referendum on the subject this month.

The move to make Swiss homes even more exclusively for the Swiss comes from the country's Nationale Aktion nationalistic party, which has called for a referendum on May 20. The call, backed by the Social Democrats, aims to make it almost impossible for non-Swiss to buy this type of property.

Even if voters reject the move, the outcome will be the same because a revised law governing the "purchase of property by persons abroad" is due to come into force on January 1.

Nationale Aktion's proposal foresees the amendment of the federal constitution, meaning that real estate property or rights could be sold only to Swiss with domicile rights, or legal entities owned at least 75 per cent by persons domiciled or resident in Switzerland.

The amendment would not affect sales of property "in the service operation. The Federal Government would also be empowered to grant individual exclusions in cases of "national interest."

The revised legislation due to come into force next year was approved by both houses of parliament last autumn. This allows the central Government to set cantonal quotas for the sale of holiday apartments and units in "apartmental hotels" for two-year periods. The maximum quota would be reduced gradually unless this proved to be "against the interests of the economy."

German print workers clear way for strike

IG DRUCK und Papier, the West German print union, yesterday cleared the way for possible strikes to press demands for a reduced working week, Reuters reports from Stuttgart.

Herr Detlef Hensche, a member of the union executive, said that 82 per cent of the more than 23,000 IG Druck workers balloted at 198 plants last Friday had voted to strike if talks with management, due to resume tomorrow, failed to break the deadlock.

The result exceeded by 6 per cent the minimum support required by law to call a strike.

The 146,000-member union has disrupted newspaper publication with brief token strikes to back a national campaign for a five-hour cut in the working week without wage reductions.

IG-Metall, which represents 2.5m metal workers, has called strike ballots in three key regions next week. IG-Metall broke off talks last week after management refused concessions on the working week.

The Metallurgical Industry Employers' Association responded by accusing the union of cold-blooded determination to call a strike and warned that management could resort to lockouts.

Chancellor Helmut Kohl has strongly criticised union demands for a 35-hour week, supporting employers' arguments that it would increase, rather than reduce the country's 2.4m unemployment figure. He appealed yesterday to management and employees to seek a compromise.

U.S. indicators show first fall in 19 months

Continued from Page 1

alone could cut as much as 2 percentage points off the second-quarter growth figure.

The implications of the expected slowdown are hotly debated. Data Resources, the Boston-based economic forecasting concern, says that "tighter credit today threatens to limit real GNP growth to about 2 per cent during the last quarter of this year and the first two quarters of next year."

Wharton Econometric forecasting of Philadelphia suggests that "moderating growth should take pressure off the Fed to tighten credit conditions any further, at least in the short run."

But Goldman Sachs Economics says: "A slowdown sufficient to change the underlying cyclical uptrend in inflation and interest rates is not likely until fiscal and particularly monetary policy becomes less stimulative."

UK union chief praises foreign employers

BY DAVID GOODHART IN EASTBOURNE

MR TERRY DUFFY, president of Britain's Amalgamated Union of Engineering Workers (AUEW), yesterday praised foreign employers for adopting a more constructive approach to industrial relations than their UK counterparts.

Delivering his address to the union's annual conference in Eastbourne, he welcomed foreign manufacturers investing in the UK and said: "Some British employers would do well to copy their methods of obtaining co-operation from their labour force."

Foreign employers, he said, tended to consult their workforce more, rejected "us-and-them" attitudes and were more ready to harmonise working conditions between blue-collar and white-collar workers.

He said that despite the erosion of the distinctions between manual and non-manual workers by new technology, the former was still regarded as a second-class citizen by most British employers. "That is the British disease that the foreign employers are making more progress towards breaking down," he said.

The AUEW had agreements, including some single union agreements, with many non-UK employers, but his comments were clearly made with an eye on the hoped for single union deal with Nissan, the Japanese car manufacturer.

Banca del Lavoro issue

Continued from Page 1

IFI had appointed seven. The new president of La Rinascente is expected to be Sig Gianluigi Gabetti, who is managing director of the Agnelli holding company, and has been appointed one of the new directors of La Rinascente.

IFI paid L181bn when it bought control of La Rinascente in March. The Agnelli family company has actually bought back a major stake from a company it disengaged itself from three years ago.

IFI has denied that its return to La Rinascente was a function of "any particular motive" and said that the retail chain, which recently announced a 59 per cent leap in net profits to L51bn, was "a good investment."

La Rinascente said that its turnover during the first two months of this year was 17.7 per cent higher at L270bn.

British banks' ratings cut

Continued from Page 1

agency for a long-term rating for its debt.

Barclays and National Westminster continue to carry an AAA rating from Moody's, the other major credit rating agency.

Standard & Poor's said that although the downgrading of the UK banks' debt rating also extended to their important related letter of credit business, it left their short-term commercial paper ratings unchanged at A-1. The only exception was Crocker, whose commercial paper rating was cut to A-1 from A-1-plus.

The cut in their credit rating will not have much impact on the UK banks' cost of raising funds, since they are still rated more highly than virtually every U.S. bank, including Citibank and Chase Manhattan, but it is a blow to their pride.

Gibbons may seek listing

Continued from Page 1

price for being quoted and another for being unquoted," said Mr Robert Nelson, Ionian's managing director and a stamp collector himself. Stockbrokers Simon & Coates were offering the shares at 100p last month.

Mr Feigenbaum will also buy back for £450,000 cash his personal stamp collection which he sold to Stanley Gibbons in exchange for shares. When the deal is formally completed on May 9, Mr Feigenbaum, still technically a Stanley Gibbons director, will no longer have any connections with the company.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	R	14	57	Dubrovnik	S	15	59	Malaga	F	16	61	Salzburg	F	13	55
Akrotiri	S	21	70	Faro	S	21	70	Malta	C	18	65	Seoul	F	20	68
Algiers	F	22	72	Florence	—	—	—	Manila	F	36	97	Singapore	R	30	86
Amsterdam	S	15	59	Frankfurt	C	9	48	Miami	F	28	82	Stockholm	S	19	66
Athens	S	18	64	Funchal	F	20	68	Milan	D	7	45	Strasbourg	S	14	57
Bahrain	F	29	84	Geneva	S	10	50	Moscow	F	18	64	Sydney	F	23	73
Bangkok	F	35	95	Gibraltar	C	17	63	Munich	F	11	52	Taipei	C	23	73
Barcelona	S	17	63	Guernsey	S	13	55	Nairobi	—	—	—	Tangier	C	17	63
Beirut	S	20	68	Helsinki	S	17	63	Naples	S	21	70	Tehran	—	—	—
Belgrade	R	10	50	H Kong	F	24	75	New Delhi	F	38	100	Tel Aviv	S	22	72
Berlin	S	14	57	Innsbruck	F	10	50	New York	F	20	68	Tenerife	F	20	68
Biarritz	F	19	66	Inverness	F	16	61	Nice	F	15	59	Tokyo	C	17	63
Blackpool	S	16	61	Istanbul	—	—	—	Oporto	S	15	58	Toronto	F	18	64
Bordeaux	S	19	66	Jersey	S	15	59	Oslo	S	17	63	Tunis	F	23	73
Brussels	S	15	59	Jo'burg	F	20	68	Paris	S	16	61	Valencia	R	13	55
Budapest	F	14	57	Las Palmas	F	22	72	Prague	F	10	50	Venice	C	8	46
B. Aires	F	18	64	Lima	F	24	75	Reykjavik	R	3	37	Vienna	C	11	52
Cairo	F	25	77	Lisbon	F	17	63	Rio de J'o	C	30	86	Warsaw	F	17	63
Cape Town	—	—	—	Locarno	F	6	43	Rome	F	20	68	Zurich	S	11	52
Caracas	D	24	75	London	S	16	61								
Casablanca	C	20	68	Los Angeles	C	20	68								
Copenhagen	S	13	55	Luxembourg	F	12	54								
Corfu	C	19	66	Madrid	C	14	57								
Dublin	S	12	54	Majorca	C	15	59								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday May 1 1984

Research spending contributes to Mitel's heavy losses

BY BERNARD SIMON IN TORONTO

MITEL, the Canadian manufacturer of telecommunications equipment and semiconductor devices, suffered a loss of C$32.4m ($28.6m), or 85 cents o share, in the year to February 24, a sharp reversal from the profit of C$14.8m (39 cents a share) in the previous year.

The company said losses stemmed mainly from higher research and development spending, a C$12.6m fourth-quarter write-down of obsolete and excess inventory and extraordinary losses of C$12.6m, also concentrated in the fourth quarter, from writedowns of excess manufacturing capacity in Canada, the U.S. and Ireland.

Mitel, one of the stars of Canada's high technology sector, has been hit by the recession and internal problems, including long delays in launching a new automatic branch exchange system.

Mr Terence Matthews, president, said a further loss is expected in the first half of the present fiscal year, but that "increased revenue and operational effectiveness" should result in a profit for the year to February 1985.

Revenues for the year just ended rose to C$342.6m from C$255.1m in 1983. Revenues included a contribution of C$19.1m from Canadian companies for the funding of research and development for digital switching products.

The loss before taxes, writedowns and the extraordinary losses totalled C$10.4m, compared with a profit of C$2.8m the previous year.

Mitel said it expects to renegotiate a C$100m revolving credit facility with a group of banks before it expires at the end of October. This facility is crucial to its funding for the remainder of the 1985 fiscal year since the company is unable to continue financing its operations by short-term money market instruments, as it did in the past year.

Major turnround at Canadian Pacific

BY ROBERT GIBBENS IN MONTREAL

ECONOMIC RECOVERY is bringing a major turnround at Canadian Pacific, Canada's largest company, and its 70 per cent-owned Canadian Pacific Enterprises non-transport holding company.

The gains are mainly from rail operations, zinc mining and metal operations and pulp and paper. PanCanadian Petroleum, the principal oil and gas subsidiary, is keeping up the performance that helped cushion the group during the 1981–83 recession.

The industrial products companies, including Algoma Steel and AMCA International, are lagging and await a major upturn in world investment.

CP Enterprises earned C$43.9m (U.S.$34.3m), or 28 cents a share, in the first quarter, against C$4.1m, or 3 cents, a year earlier. This will help the parent company which holds the railway, CP Air and other transportation interests. Consolidated results for the group will be announced later this week.

Cominco, the crown jewel of Canadian Pacific for several generations, was hit badly by the collapse in world commodity prices. But, since it is one of the world's largest producers of zinc, higher prices eliminated losses and produced a small profit in the first quarter.

Cominco will be gathering benefits from a huge investment programme at its British Columbia metallurgical plants. The company has high-grade ore in plenty at two northern mines, and 100 years of major reserves at its Red Dog zinc-silver mine in Alaska, now being developed.

Forest Products are swinging back, but the leverage from these subsidiaries will not be evident until later. Great Lakes Forest Products in Ontario has completed a capital programme costing several hundred million dollars, and has high interest costs.

CP's rail operations will be doing better. Milling subsidiaries are in good shape, but the Western coal mining subsidiary is having to accept lower demand from the Japanese and lower prices.

Shipping, a serious drag for the past two years, may show some improvement this year, but mainly through rationalisatioo of container and bulk operations.

Mixed results for Axel Johnson

By David Brown in Stockholm

AXEL Johnson, the group which represents Sweden's third largest trading and industrial empire, reports mixed pre-tax results for 1983.

Nordstjernan, one of the two main companies in the group with interests in shipping, stainless steel and engineering, reports a pre-tax profit before extraordinary items of SKr 30m ($3.7m), against the loss of SKr 12m the previous year, despite continuing decline in the shipping sector.

Operating profits advanced by SKr 122m to SKr 244m, but capital gains on the sale of ships were significantly lower last year than in 1982. An extraordinary item of SKr 332m, stemming from the sale of shares in the U.S. Saba retail and trading group, brought the pre-tax result to SKr 382m, more than treble the figure achieved the year before.

The company includes the Avesta Steel operations which will become a European market leader in several products after the wide-ranging rationalisation of the Swedish stainless steel industry which was agreed last year. The loss in its steel operation was trimmed from SKr 129m to SKr 31m.

A. Johnson, the other large unit in the group, which is divided into a U.S. and a Swedish operation, showed more mixed results. The Swedish arm, which trades in oil, coal, steel, metals, chemicals and machinery, bad a pre-tax result of SKr 79m, just over half the 1982 result. Sales advanced from SKr 7.5bn to SKr 10.9bn.

The U.S. arm, which trades in oil, stainless steel, metals and engineering products and is also involved in shipping, reports a pre-tax loss of SKr 26m, against the SKr 60m profit in 1982. Sales advanced from SKr 8bn to SKr 7bn.

The decline was attributed to unspecified extraordinary items associated with the restructuring of the group's steel and oil operations. A positive result is anticipated this year.

Axel Johnson is the largest Swedish company remaining in private hands.

SMALL IS ALSO PROFITABLE FOR ONE VIENNESE COMPANY

Austrian Airlines still flies high

BY PATRICK BLUM IN VIENNA

THE MANAGEMENT at Austrian Airlines likes to think that small is not only beautiful but also profitable. To prove the poiot they sbow with some pride bow the company bas been making profits for 13 consecutive years after a disastrous 15 years of losses.

Last year was no exception – revenues were up 11 per cent to Sch 5.69bn ($29.8m), and gross profits before tax, allocations to reserves and provisions for depreciation were Sch 350.2m.

In contrast to other state-owned Austrian industries, which have bad to draw heavily oo government subsidies, Austrian Airlines was able to self-finance investments worth Sch 648m last year.

On the operating side, the airline carried more than 1.86m passengers last year, an increase of 6 per cent on 1982. For the first time, charter passengers accounted for more than 500,000 of that total.

The company attributes part of its success to specialisation. In the early 1970s it dropped out of the race for prestige routes sucb as the North Atlantic, and concentrated instead on more flexible markets.

Eastern Europe was an obvious choice and the airline rapidly built up a steady business there which today accounts for about 20 per cent of its passenger business.

The airline claims that it is the only Western airline to offer direct flights to every Eastern European capital.

In the late 1970s the company began to build its Middle East and North Africa services. It now flies to 14 cities spread in a crescent between Istanbul and Tunis. These services accounted for 24 per cent of passenger traffic last year. A twice-weekly service from Vienna to Teheran started in Marcb and a new service to Kuwait begins next week.

A new management team appointed in 1971 was able to reduce personnel, improve efficiency and completely re-equip and modernise the airline's fleet. Added to this was an empbasis oo good service, which was rewarded last year by winning third place after Air France and Scandinavian Airlines System in Egon Ronay's 1984 guide.

VW in the black after heavy loss

By Jonathan Carr in Frankfurt

VOLKSWAGEN, the West German vehicle group, is in the black again after making heavy losses and omitting a dividend for two successive years.

VW confirmed it made a profit in the first quarter of this year after recording a DM 100m ($37m) loss on its worldwide operations in the corresponding period of 1983.

The company described as "speculation" a West German magazine report that the profit totalled more than DM 10m. The exact figure is likely to be revealed next week when VW presents its full 1983 results.

News of the improvement had been widely expected, and the VW share price gained just 70 pfennigs to close at DM 199.90. The company began the year with a strong boost to sales at home and abroad, and is believed to have increased its domestic market share.

Last year's group loss is expected to have approached the DM 300m figure of 1982, when VW dropped its dividend for the first time since 1975. The 1983 results were burdened by the need to make heavy provision for Latin American operations.

European Asian Bank ahead

BY JOHN DAVIES IN FRANKFURT

EUROPEAN Asian Bank, the Hamburg-based commercial and foreign trade bank, has strongly increased its busioess activities aided by economic recovery and improved trade prospects in much of Asia and the Pacific.

The bank is also strengthening its financial position by boosting its risk provision, bowever, and by omitting a dividend to put profits entirely into reserves.

European Asian Bank is owned by Deutscbe Bank of West Germany (60 per ceot), Creditanstalt-Bankverein of Austria (22 per cent) and Société Générale de Banque of Belgium and Amsterdam-Rotterdam Bank of the Netherlands (eacb 9 per cent). It has branches or offices in 14 Asian and Pacific countries.

The bank's business volume rose 35.7 per cent to DM 10.7bn ($3.95bn) last year, while its assets grew 34.4 per cent to DM 8.4bn. The growth was boosted in D-Mark terms because of the appreciation of many Asian currencies in line with the U.S. dollar.

The bank showed a 38 per cent increase in net profits to DM 20m. But after paying a 10 per cent divideod for eight years in succession, it is omitting a dividend to transfer profits entirely to published reserves.

It said it was also making "markedly higber" specific and general loan loss provisions, but did not give details. Volume of credit rose 29 per cent to DM 6.69bn, mostly short and medium-term lending to finance trade.

Last year the bank opened new brancbes at Lahore in Pakistan, at Pusan in South Korea and in Macao. It also entered into joint ventures in merchant banking in Australia and in leasing in Indonesia.

NYSE may delist Hawley shares

BY OUR NEW YORK STAFF

THE New York Stock Exchange (NYSE) is expected to decide within the next few days wbether the shares of Carter Hawley Hale (CHH), the U.S. department store group figbting an unwelcome $1.3bn takeover bid from the Columbus-based The Limited, sbould be delisted because it has violated its rules.

The NYSE, which began its investigation following a defensive move by Carter Hawley to buy back nearly half its shares and sell a large block of preferred sbares to a friendly group, General Cinema, is concerned that the defensive tactics have violated NYSE regulations.

The effect of the share repurchase – equivalent to almost half its equity – bas been to boost General Cinema's effective voting stake to around a third and increase the stake controlled by directors to around 16 per cent.

Against this background, Wall Street analysts believe that Limited will find it almost impossible to succeed in its $35 per share cash offer for control of the company.

PepsiCo earnings up 27% in quarter

By William Hall in New York

PEPSICO, the U.S. soft drink and food group, which is investing heavily in new products, appears to be recovering from last year's setback, and first quarter net income is 27 per cent ahead at $47.15m.

PepsiCo says that its major domestic business saw vigorous growth as a result of new product introductions and marketing promotions.

Despite higher advertising and marketing spending and new product costs, the group's domestic operations achieved modest growth. Meanwbile foreign operations returned to profitability after last year's losses caused by currency movements and difficult international trading conditions.

PepsiCo earned 5 cents per share in the latest quarter, whicb compares with 40 cents in the comparable period of last year and 69 cents in the first quarter of 1982.

Case sales for the group's bottler in the U.S. rose 7 per cent in the first quarter mainly because of strong growth in syrup volume and the launcb of the reformulated diet Pepsi.

PepsiCo's overseas business remains sluggisb and bottler case sales were only 1 per cent up on a year ago.

Beverage revenues rose 9 per cent and earnings rose by nearly two thirds on the back of an improved U.S. performance and loss elimination overseas.

Concentrate shipments to Venezuela during the latest quarter contributed "substantially" to the improved overseas results. Last year no shipments were made in the first quarter.

PepsiCo's food products operations, the main profit earner, posted a 12 per cent rise in operating profits and sales, reflecting domestic gains and a profit internationally, against a loss a year ago.

Georg Fischer to omit yearly payout again

BY JOHN WICKS IN ZURICH

GEORG FISCHER, the Swiss engineering concern, is to pay no dividend for the third successive year. The Schaffhausen-based parent company, whicb bad sbown a small profit of SwFr 1.4m ($626,400) in 1982, went into the red with a net deficit of SwFr 2.3m last year.

For the group as a whole, losses were again at the 1982 level of SwFr 11m. Consolidated turnover dropped during the year by 4 per cent to SwFr 1.56bn, about one half of this decline being the result of exchange rate developments.

Group turnover fell by abont 8.2 per cent from the 1982 level. This excluded sales of the Geneva company, Charmilles Technologies, which were consolidated last April.

The group's property holdings were revalued by SwFr 45m, and this sum was used to create special provisions against corporate reorganisation costs. Only part of the SwFr 33m of the funds set aside wes actually spent last year.

Dr Hannes Goetz, management chairman, said that further moves in the restructuring of the Georg Fischer group were necessary. These would be financed by SwFr 12m remaining in the special provisions fund.

Over and above this, the parent company last year drew on unpublished reserves totalliog SwFr 17m to pay for early retirements, closure costs and depreciation.

In the first quarter of 1984, group turnover rose by 13.3 per cent to SwFr 395m, but Dr Goetz predicted another difficult year.

The company is particularly concerned at moves in West Germany towards a 35-hour working week. Mr Bernbard Saeman, company chairman, said the proposed cut in hours would make West German products 16 per cent more expensive. About 42 per cent of Georg Fischer's total output originates in West Germany.

● Swiss Volksbank, of Berne, expects "good results" again for this year, according to a first-quarter report. For 1983, the bank bad booked a 22.2 per cent rise in net earnings to SwFr 62.2m ($28m) and it lifted the dividend to SwFr 53 from SwFr 45 per share and from SwFr 4.50 to SwFr 5.30 per participation certificate.

The bank says further profit development will depend largely on the stock and foreign exchange markets. Earnings in the first three months of 1984 were higher than for the corresponding period last year.

Modest growth for Aeritalia

By James Buxton in Rome

AERITALIA, the Italian aerospace company which is part of the state-owned IRI Finmeccanica group, reported modest increases in sales and oet profits for 1983.

Sales rose 7 per cent, well below the Italian 1983 inflation rate of 15 per cent, to L867bn ($519m) and pre-tax profits were L11.1bn, compared with the 1982 figure of L9.29bn. The company is to pay a dividend after several years of omitting the payout, though the size of the dividend is not disclosed.

The company is a junior partner with Boeing of the U.S. in the Boeing 767 project and makes the ATR 42 regional transport airliner in a joint veoture with Aerospatiale of France. It also makes the AMX fighter, the prototype of which is due to fly for the first time next month, and is the Italian partner in the Anglo-German-Italian Tornado project.

AIDC buys oil, gas stake

By Michael Thompson-Noel in Sydney

THE AUSTRALIAN Industry Development Corporation (AIDC) is paying A$915,000 (U.S.$842,00) to Magellan Petroleum Australia (MPA) for a 6.1 per cent stake in the Palm Valley gas project in the Amadeus Basin of the Northern Territory.

The purchase marks the Australian Government's first direct investment in an oil and gas project. AIDC is a statutory corporation whose role is to promote development of Australian industry although its business activities are independent of government influence or review.

MPA is 53 per cent owned by the U.S.-based Magellan Petroleum Corporation. Mr Ray Hopkins Managing Director, said that AIDC would make further cash payments, as additional gas reserves were planned.

Kuwait stock market plan near

BY KATHLEEN EVANS IN KUWAIT

THE KUWAIT government is expected to announce in the next few weeks a formula which, it is boped, will finally resoive the country's stock market crisis.

The draft plan, like the problem itself, is complicated and costly. A lot hinges on its success—and the timing of its implementation. A minor rally is currently taking place in the official Kuwait stock market for the first time since the onset of the crisis in 1982. But if the new mood of optimism is to be sustained, the plan must be implemented soon.

Within a few weeks lies Ramadan and the traditional dull trading months of summer. If this formula for settlement proves no hetter than its many predecessors, then the gloom will continue, and an increasing number of Kuwaitis will be added to the list of 300 people already referred to the government receiver.

A settlement to the crisis is vital for the future of the country's stock market, and the protection of bank collateral. In the past few weeks, prices have been drifting down alarmingly and, given that about 25 to 50 per cent of all bank credit is thought to be backed by shares from the official market, the valoe of bank collateral was seen to he declining daily.

The downward drift began largely because investors involved in the stock market crisis were selling their shares in order to secure cash to settle their own debts. Coupled with the despondency brought on hy the announcement of Kuwait's record budget deficit, and the continuing Gulf war, the effect was to depress even the prime stocks on the official market. Other stocks were not being traded at all.

Until last week, the stock market lo Kuwait bad been protected from just such a slide by the government which has spent some KD 700m to KD 800m ($2.37bn to $2.71bn) since October 1982 on supporting sbare prices. Last November, mindful that tha state has already absorbed nearly 50 per cent of the total market, government tactics changed. Intervention came only at the end of each trading day, so that the index could be maintained at a stahle level.

Cosmetic support

These tactics led local stockbrokers to calculate two market indices—the government support price and the free market level. By early April, the prices on some stocks were 40 per cent apart. The support policy was looking increasingly cosmetic.

That policy ended last week, following a minor rally in the market sparked off hy expectations of an imminent announcement from the government about its letest settlement formula. So far, the rally has been sustained, though prices are still between 10 and 40 per cent below the old official prices. The optimistic mood needs to be maintained if prices are to bold.

The settlement plan hreaks down the KD 1bn in assets of those in receivership into three parts. Some 22 per cent consists of shares from the official market and from the unofficial Souk al Manakh market, another 33 per cent is in real estate, while the remaining 45 per cent consists of notes receivable.

The latter portion, is to be tackled by the Kuwait banks. Tbey are discussing a plan to underwrite the net difference payable by those people who are solvent to those in receivership. This could involve some KD 150m, according to analysts.

The real estate assets are to be purchased by the three semi-State investment companies, together with the local real estate companies and the country's Islamic bank, the Kuwait Finance House. Local financiers believe this could cost around KD 240m which could be partially financed by soft loans from the government.

The remaining 22 per cent, held in stocks, would be purchased by the Kuwait Foreign Trading, Contracting and Investment Company, now virtually a State institution.

Politically costly

Altogetber some KD 510m is involved in this rescue operation, although most of it will come in the form of government support rather than government cash. Nevertheless, some analysts fear that the plan will have to be approved by the National assembly, which could further delay implementation. The Souk al Manakh crisis has already proved politically costly to the government.

A new worry is a burst of renewed activity in the Souk al Manakh. A recent spurt in trading bas led some to fear that cash actually paid to creditors is being ploughed straight back into the market which caused all the trouble.

Bankers want to see a steady return of confidence, not the bubbles which have proved so disastrous in the past. The prospects of that depend largely on the outcome of the government's current, and hopefully final, formula for settlement of Kuwait's 19-month-long crisis.

Balco boosts sales and returns to the black

BY MARY FRINGS IN BAHRAIN

BALCO, the joint Bahraini-Saudi aluminium marketing company, has reported a profit of US$29.9m for 1983, compared with a record loss of US$22.2m for the previous year. Sales revenue of US$288.3m was 52 per cent higher, and the volume of metal sold increased by 27 per cent to over 175,000 metric tonnes.

Althougb Balco's annual metal offtake from the 170,000 metric tonnes per year Alba smelter is only 133,000 tonnes the company has a policy of limited stockpiling when the market is weak. Stocks were drawn down over the year from 100,000 tonnes to 50,000 tonnes.

Far Eastern companies accounted for 59 per cent of sales, while 29 per cent went to the Middle East—including billet to the local Balexco extrusion plant and hot mtal to Midal Cables and Bahrain Atomisers. Another 8 per cent was shipped to South East Asia and 1 per cent each to the Indian subcontinent, Europe, Oceania, and Africa.

Ingot prices jumped from a low of US$1,050 at the start of 1983 to US$1,800 by the third quarter, although they fell back 6 per cent by the year-end.

Mr Faisal Ali Mirza, the general manager, believes that, with increasing Government participation in the industry worldwide, there is a case for estahlishing an Opec-style aluminium producing countries' cartel, Alupec, to maintain price levels by regulatiog production.

He points out that the international primary aluminium institute (IPAI), representing most of the non-Communist world's aluminium capacity, is barred by anti-trust laws from discussing prices, and may be manipulated by speculators on the Comex and Londoo Metal Exchanges.

● At the 12th annual general meeting of IUAI in Bahrain over the week-end, Shaikh Ahmed Zaki Yamani, the Saudi Oil Minister, told delegates that plans were in hand to exploit deposits of bauxite in Saudi Arabla, 160 km north of Bureidah.

He said the aluminium oxide content of the raw bauxite found there is 57 per cent, and silicates 6 per cent. He also referred to a 200,000 mty smelter project in the Eastern Province, which was delayed when Saudi Arabia took a 20 per cent stake in Alba, but which could still be implemented under what he called "The grand design for economic integration of the Gulf countries."

McDonald's holds lead in Japan

TOKYO—McDonald's of Japan was the leading restaurant chain in Japan in the year to March for the second year running, with an increase in sales of 20 per cent to Y84.6bn ($373m).

Nihon Keizai Shimbun the Japanese economic daily said the U.S.-based hamburger chain with 396 Japanese outlets topped the list of 100 leading restaurant companies, which increased their share of Japan's Y16,494bn restaurant industry from 11.5 per cent to 12.7 per cent.

Kozo-Sushi, a Japanese sushi chain with 2,215 outlets, was second with Y68bn in sales, followed by the Skylark group, a family restaurant chain, with Y67.66bn.

Kentucky Fried Chicken, the oldest foreign fast-food chain, ranked eighth with an increase of 16.3 per cent in sales to Y32.8bn. It has 413 outlets in Japan.

AP-DJ

Datuk Keramat raises dividend

BY WONG SULONG IN KUALA LUMPUR

DATUK KERAMAT Holdings, the Malaysian tin smelter, is lifting its final dividend from 60 cents to 84 cents a share following a strong recovery in operating profits. This brings the total dividend for the year to December 1983 to 119 cents a share compared with 80 cents previously.

Operating profits rose by 21 per cent to 13.1m ringgit (US$5.7m) despite a fall in turnover of 35 per cent to 462m ringgit, due to the lower volume of tin smelted.

The better earnings came from stringent cost controls following a major retrenchment exercise, and higher smelting charges.

Income from investments fell from 3.3m ringgit to 1.4m ringgit due to lower divideods from Malaysia Mining Corporation. However, there was an extraordinary gain of 2.9m ringgit from a West Malaysian tax credit following the liquidation of a dormant subsidiary company. After-tax profits were 47 per cent higher at 10.7m ringgit or 71 cents per share.

Preussag, the West German metal and commodities group, holds about 43 per cent of Datuk Keramat.

● Esso Malaysia has reported a 19 per cent rise in after-tax profits to 69.6m ringgit (U.S.$30m), or 1.29 cents per share for 1983, and is paying a higher final dividend of 90 cents against 70 cents, making a total of 200 cents a share for the year, compared with 100 cents.

The company attributed the better earnings to the lower price of imported crude, its higher refining capacity, and strong sales of petroleum products.

The only soft spot in the company's operations was its ammonia business which continued to be affected by imports of low cost nitrogeoous fertilisers.

The company announced that the government has approved the incorporation of 77m ringgit into its capital account arising from the revalution of land and buildings.

Amaprop earns and pays more

By Our Johannesburg Correspondent

ANGLO AMERICAN Properties (Amaprop), South Africa's largest property company, benefited from particularly profitable township development operations in the year ended March 31, 1984. Pre-tax profits rose by more than half to R36.7m ($28.5m) from R24.4m and profits attributable to ordinary shareholders rose to R22.3m from R14.7m.

Earnings increased to 52.0 cents a share from 34.8 cents and the dividend total has been raised to 22 cents from 18 cents. Amaprop is 75.4 per cent-owned by the country's largest mining house, Anglo American Corporation.

This Document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Save & Prosper Return of Assets Investment Trust PLC ("SPRAIT"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.
Application has been made to the Council of The Stock Exchange for the Ordinary Shares, Warrants and Cumulative Limited Participating Preferred Shares in SPRAIT, issued and to be issued, to be admitted to the Official List. A copy of this Document having attached to it the documents referred to herein has been delivered to the Registrar of Companies for registration. **The Application Lists for the Ordinary Shares and the Warrants now offered will open at 10.00 a.m. on Friday, 4th May 1984 and may be closed at any time thereafter. The Procedure for Applications is set out below.**

Save & Prosper Return of Assets Investment Trust PLC

(Incorporated under the Companies Acts 1948 to 1983 No. 1805708)

OFFER FOR SALE OF

15,000,000 Ordinary Shares of 50p each at 70p per share

and

3,000,000 Warrants at 50p each

payable in full on application

AND PLACING OF

15,000,000 Cumulative Limited Participating Preferred Shares of 100p each at 120p per share

by

Robert Fleming & Co. Limited

The Offer for Sale of the Ordinary Shares and the Warrants has been fully underwritten and the Directors are aware of intended applications for 11,250,000 Ordinary Shares and 2,250,000 Warrants which will be accepted in full.
A proportion of the Preferred Shares will be offered to, and will be available through, the market.

SHARE CAPITAL

Authorised		*Issued and to be issued*
£ 9,000,000	Ordinary Shares of 50p each	£ 7,500,000
£18,000,000	Cumulative Limited Participating Preferred Shares of 100p each	£15,000,000
£27,000,000		£22,500,000

The Warrants give a right to subscribe a total of 3,000,000 Ordinary Shares and 3,000,000 Cumulative Limited Participating Preferred Shares.

INDEBTEDNESS

SPRAIT has no loan capital (including term loans) outstanding, or created but unissued, nor any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities.

Directors

Cholmeley Joseph Messer (*Chairman*)
Paul Terence Bateman
Richard Jeremy Hebblethwaite
Peter John Manser
all of Save & Prosper Group Limited, 4 Great St Helens, London EC3P 3EP

Joseph Burnett-Stuart of Robert Fleming Holdings Limited, 8 Crosby Square, London EC3A 6AN

John Dudley Webster of 10 Merrydown Way Chislehurst, Kent BR7 5RS

Professional Advisers

Secretary and Registered Office
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London EC3P 3EP

Issuing House
Robert Fleming & Co. Limited
8 Crosby Square
London EC3A 6AN

Brokers to the Issue
Laing & Cruickshank
incorporating McAnally Montgomery & Co.
Piercy House 7 Copthall Avenue
London EC2R 7BE

Solicitors to SPRAIT
Linklaters & Paines
Barrington House
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Manager
Save & Prosper Group Limited
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London EC3P 3EP

Investment Adviser
Save & Prosper Investment Management Limited
4 Great St Helens
London EC3P 3EP

Auditors and Reporting Accountants
Ernst & Whinney
Chartered Accountants
Becket House
1 Lambeth Palace Road
London SE1 7EU

Bankers
Williams & Glyn's Bank plc
67 Lombard Street
London EC3P 3DL

Solicitors to the Issuing House
Freshfields
Grindall House
25 Newgate Street
London EC1A 7LH

Registrars and Transfer Office
Save & Prosper Registrars Limited
Hexagon House 28 Western Road
Romford, Essex RM1 3LB

Valuations All references in this Document to valuations as at 19th April 1984 relate to valuations for that day based upon the prices of the underlying securities on the previous day.

Definitions

"SPRAIT" or "the Company"	Save & Prosper Return of Assets Investment Trust PLC
"Robert Fleming"	Robert Fleming & Co. Limited
"Ordinary Shares"	Ordinary Shares of 50p each in SPRAIT
"Preferred Shares"	6.3—13.3% Cumulative Limited Participating Preferred Shares of 100p each in SPRAIT
"Warrants"	Warrants in SPRAIT with rights as set out in Appendix 1
"High Return"	Save & Prosper High Return Unit Trust
"Smaller Companies Income"	Save & Prosper Smaller Companies Income Fund
"American Income & Growth"	Save & Prosper American Income & Growth Fund
"Trusts"	High Return, Smaller Companies Income and American Income & Growth
"Issue"	The Offer for Sale and the Placing referred to above

INTRODUCTION

SPRAIT has been established by Save & Prosper Group Limited to meet the varied needs of different types of invastor through an innovative capital structure.

* Its Ordinary Shares are for those seeking capital growth, but with income and prospects for incoma growth.
* Its Preferred Shares are for those requiring a secure and rising income.
* Its Warrants are for those not requiring immediata income but seeking *greater prospects of capital appreciation with a correspondingly* higher degree of risk.

The Preferred Shares carry an entitlement to a pre-determined and rising level of income and a small participation in any growth in the value of the underlying assets. After payment of the Preferred dividend all of the surplus income of SPRAIT will be available to holders of Ordinery Sheres who will additionally benefit from most of any growth in the value of the underlying assets. Each Warrant will give the holder the right to subscribe one Ordinary Shara and one Preferred Share at a combined price of 200p exercisabla on 1st June in any year *from* 1990 to 1995 *inclusive.*

Immediately efter complation of the Issue, and before any investment of the proceeds, the net asset value attributable to each Ordinary Share and each Preferred Share will respectively be 94.9p, approximately, and 100p.

It is intended that SPRAIT will be wound up between 1st January 2008 and 31st December 2010.

INVESTMENT POLICY

The Directors have selected three authorised unit trusts managed by Save & Prosper Securities Limited in which to invest the net proceeds of the Issue (estimated at £29.23m) and any subsequent amounts subscribed by the holders of the Warrants. Such amounts will be invested as follows:

— 50% in Save & Prosper High Return Unit Trust
— 30% in Save & Prosper Smaller Companies Incoma Fund
— 20% in Save & Prosper American Income & Growth Fund.

The combined investment in the Trusts provides a portfolio which is expected to *offer a gross yield*, calculated as at 19th April 1984, of approximately 6.25% compared with approximataly 4.4% on the FT Actuaries All-Share Index. This estimated yield will, particularly in the first accounting period, be reduced by an element of equalisation: see "Accounts and Dividends" below for further information.

Sava & Prosper Securities Limited, the managers of the Trusts, *has agreed* to issue units in the Trusts to SPRAIT at the prevailing offer price less tha managers' preliminary charge of 5% (or 5.25% in the case of American Incoma & Growth). For further details see "Contracts" in Appendix 4.

The Directors believe that the following make the UK stock market ettractive and make it a particularly appropriate time to invest in tha Trusts:

(i) Corporate profits have begun to benefit significantly from productivity gains which have been achieved es a result of severe cost cutting measures in the preceding years of recession. The eamings progress being recorded is enabling corporate dividends to advance sharply.

(ii) It is proposed in the Finance (No. 2) Bill 1984 that stemp duty on stock transfers should be halved to 1%, thereby reducing the costs of dealing in the underlying investmants.

(iii) It is proposed in the Finance (No. 2) Bill 1984 that corporation tax rates should be reduced to 45% for the financial year (within the meening of the Income and Corporation Taxes Act 1970) 1984, 40% for 1985 end 35% for 1986. This will increasa the ability of many companies to finance themselves *through retained profits or will enable them to pay larger dividands.*

The Directors also consider *that a* proportion of SPRAIT's assets should be invasted in the United Statas as they believe thet prospects for tha US economy are sound. There has been a significant correction in the level of the US stock market since the high point in 1983 and this gives scope for increases in US share prices. American Income & Growth will also benafit particularly from the proposed reductions in UK corporation tax rates.

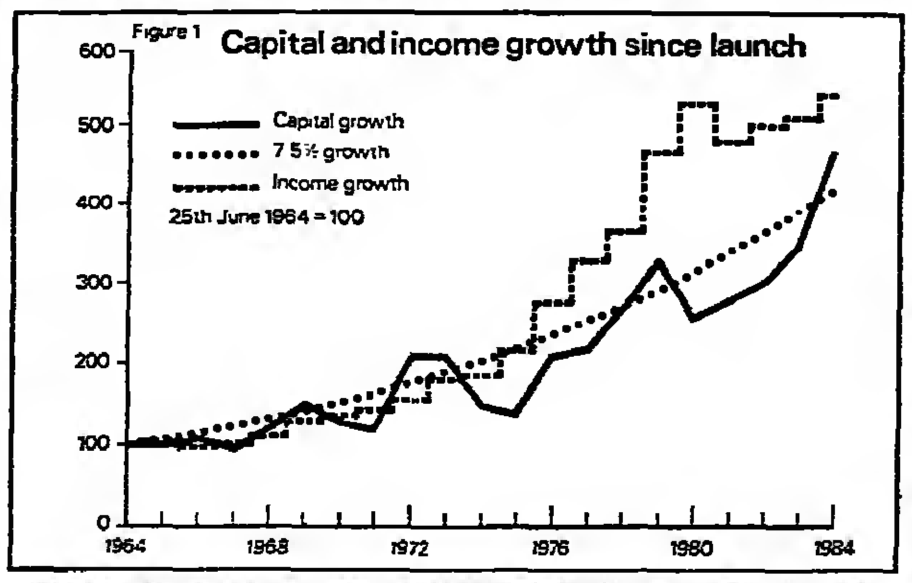
The Articles of Association of SPRAIT provide that it will invast only in the Trusts in the prescribed proportions unless the prior sanction of the Preferred Shareholders and the Ordinary Shareholders as separate classes has been obtained.

THE TRUSTS

Information on the Trusts (including details of their current investment policies) is set out below, and further details appear in Appendix 2.

High Return

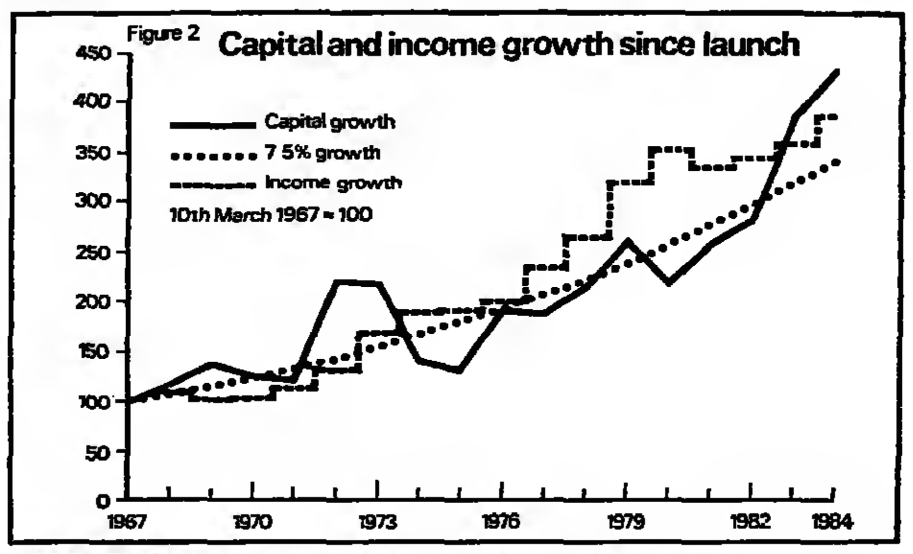
High Return was launched on 25th June 1964 and its investmant objective is to provide a portfolio designed to achieve a high income from stocks and *shares. The Trust* currently provides a *broad exposure to the UK market,* notebly the consumer goods and capital goods sectors, with a strong representation in tha manufacturing sector and certain other areas which have experienced depressed conditions during the past four years. Figure 1 illustrates the income and capital performance of High Return since launch *compared* with a constant 7.5% compound annual growth rate. During the period from launch to 19th April 1984 the offer price of the Trust's units rose by 374.4%, an average annual rate of 8.16% compound. Over the years 1965 to 1984 inclusiva (taking into account the projection for 1984) the Trust also achieved an average income growth of 8.49% compound per annum. On 19th April 1984 *the* value *of the* Trust at its offer *price* was £66.8m and its estimated gross yield was 5.79%.



Note to graph: 1984 income is projected. Capital performance is measured at 1st April each year after the year of launch.

Smaller Companies Income

Smaller Companies Income was launched as Scotbor Income Fund on 10th March 1967 and adopted its present name in 1982. Originally it had invested for a high and increasing income in a wida renge of invastments. During the 1970s the investment amphasis shifted towards smaller UK companies. Its present investment objective is to provida a portfolio designed to achieve a high and increasing income from stocks and sharas predominantly of smaller companies. On 19th April 1984 the value of the Trust at its offer price was £18.0m and its estimated gross yield was 4.99%. Figure 2 shows the income and capital performance of the Trust since launch compared with a constant 7.5% compound annual growth rate. From launch to 19th April 1984 tha offer price of the Trust's units rose by 321.6%, an average annual rate of 8.76% compound. Over the years 1968 to 1984 inclusive (taking into account the projection for 1984) the Trust achieved an averaga income growth of 7.82% compound per annum.



Note to graph: 1984 income is projected. Capital performance is measured at 1st April each year after the year of launch.

American Income & Growth

American Income & Growth was leunched on 25th February 1984 at an offer price of 50p per unit. On 19th April 1984 the offer price was 50.7p, the velue of the Trust £4.5m end its estimated gross yield was 6.21%. As ell of the Trust's income is unfranked, tha proposed changes in corporation tax rates have a particularly significant impact on the amounts available for distribution. The estimated gross yield reflects the proposed reduction in the corporation tax rate for the current financial year, and the Trust will benefit in due course from the proposed further changes. Tha Trust's investment objective is to provide e portfolio of higher-yielding securities invested in the growth areas of *the United States economy. The Trust invests* ecross e broad range of such securities, meinly convertible bonds. The Directors believe that US convertibles are attractive for three mein reesons:

(i) they offer a higher level of income than on the corresponding equity with long-term capital growth prospects;

(ii) their price can increase both when interest rates fall and when the corresponding equity price rises; and

(iii) they provide more secure income than the corresponding equity.

SAVE & PROSPER

CAPITAL STRUCTURE

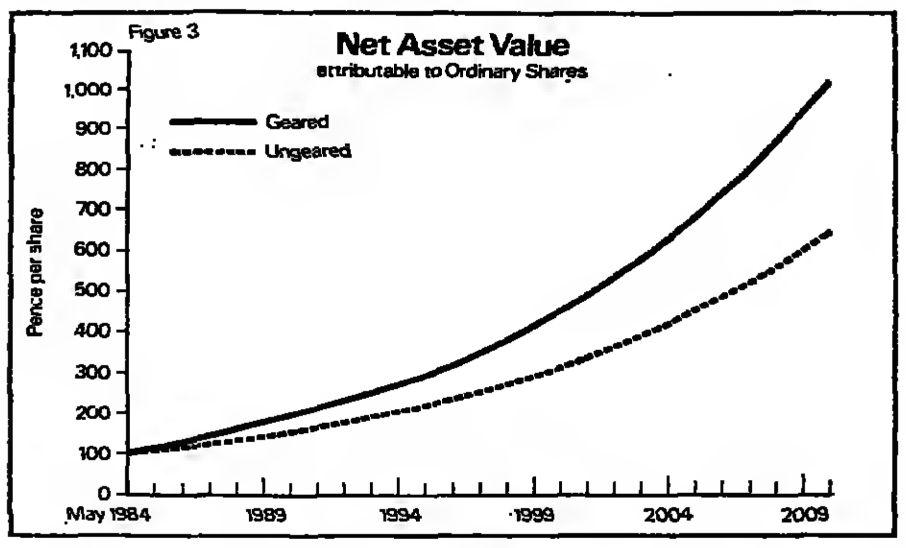
Preferred Shares

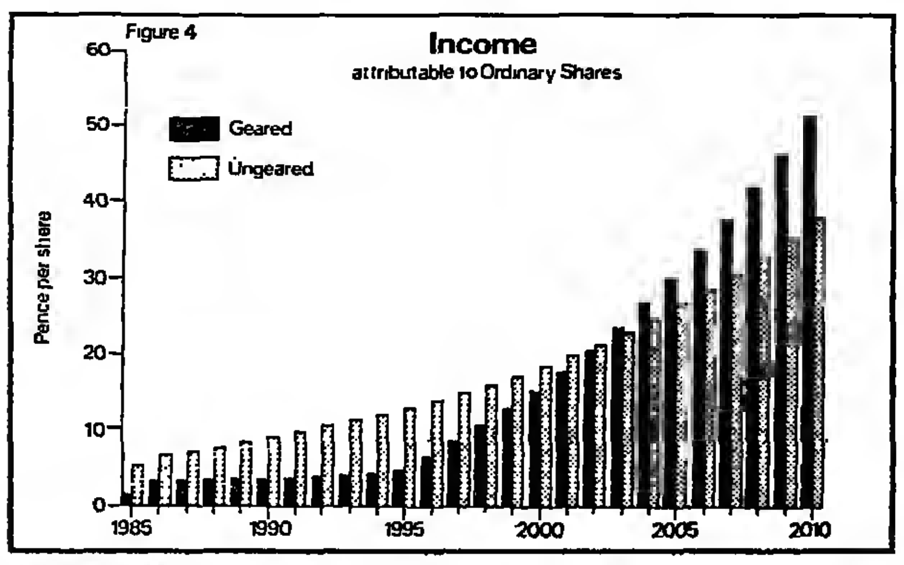
The return on the 100p nominal value of the Preferred Shares will be 6.3% per annum (exclusive of the associated tax credit) for the period ending 31st May 1985 and will rise in steps of 0.7% per annum until it reaches 13.3% in 1995 after which it will remain at that level. Thus at the placing price of 120p per share the Preferred Shares will initially yield a gross equivalent of 7.6%, a higher level of income than would be possible through a direct holding of the investments underlying SPRAIT. On the liquidation of SPRAIT Preferred Shareholders will be entitled to 100p per Preferred Share (together with any arrears of dividend), in priority to any payment on the Ordinary Shares, and to 10% of any surplus after payment to the Ordinary Shareholders of any amounts standing to the credit of revenue reserves and of 100p per Ordinary Share. Further details are contained under "Articles of Association" in Appendix 4.

Ordinary Shares

Ordinary Shareholders will be entitled on the liquidation of SPRAIT (after payment of 100p on the Preferred Shares) to 100p per Ordinary Share, to any amounts standing to the credit of revenue reserves and to 90% of any surplus. The capital appreciation should be significantly greater than would be obtained from a direct holding in the Trusts. All SPRAIT's net income, after payment of the Preferred dividends, will be available for distribution to Ordinary Shareholders and (assuming sufficient growth) their dividends should increase, particularly in the later years of SPRAIT's existence. For further information as to dividends see under "Accounts and Dividends" below.

Figures 3 and 4 below demonstrate the benefits to Ordinary Shareholders which can be obtained from the gearing provided by the Preferred Shares. They show this effect on the net asset value per Ordinary Share and the income attributable to each Ordinary Share if a constant 7.5% rate of growth of capital value and income from the underlying investments were to be achieved. For the purpose of the figures below it has been supposed that one sixth of the Warrants will be exercised in each of the years from 1990 to 1995 inclusive.





Note to Figure 4

The income attributable to Ordinary Shares in 1985 has been significantly reduced to reflect the equalisation element in the first distributions to be received from the Trusts—see "Accounts and Dividends" below. However, the line illustrating the ungeared growth has been drawn as if the equalisation element had been received as income.

The effect of the gearing provided by the Preferred Shares on the above bases can be seen to be both significant and beneficial. If a rate of growth of more than 7.5% in the underlying investments is achieved this effect is even more marked. Conversely, should the rate of growth be lower, the performance of the Ordinary Shares will revert towards that of an ungeared fund and would, were the rate of growth to be significantly less than 7.5%, be worse than that of an ungeared fund.

Warrants

Each Warrant will give the holder the right to subscribe one Ordinary Share and one Preferred Share (but not a share of one class only) at a combined price of 200p, exercisable on 1st June in any year from 1990 to 1995 inclusive. This will enable potential investors in SPRAIT to defer a decision as to investment until the initial performance is known.

The consideration for the issue of the Warrants will provide an immediate benefit to the initial Shareholders, but the exercise of Warrants may dilute the then existing Shareholders' interests. Particulars of the Warrants are contained in Appendix 1.

Further Issues

Save with the prior sanction of Preferred Shareholders, Ordinary Shareholders and Warrantholders as separate classes, no further shares may be issued except to satisfy subscription rights under the Warrants.

DIRECTORS AND MANAGEMENT

Directors

C. J. Messer, aged 55, is the Chairman of SPRAIT and has been the executive Chairman of Save & Prosper Group Limited since 1981.

P. T. Bateman, aged 39, has been the executive Director of Save & Prosper Group Limited responsible for Marketing and Development since 1981.

J. Burnett-Stuart, aged 54, has been the Chairman of Robert Fleming Holdings Limited since 1981.

R. J. Hebblethwaite, aged 50, has been the Managing Director of Save & Prosper Group Limited responsible for Commercial and Administration Divisions since 1981.

P. J. Manser, aged 44, has been the Managing Director of Save & Prosper Group Limited responsible for Investment and Sales since 1981.

J. D. Webster, aged 44, is a Director of Sun Life Assurance Society plc and has been responsible for the Society's investments in that capacity since 1978.

Management—Save & Prosper

Save & Prosper is one of Britain's major financial services groups and provides a wide range of personal financial services. As at 1st January 1984 the group managed or administered funds of over £1,950m including over £600m from its life assurance and pensions business. Save & Prosper Securities Limited, the managers of the Trusts, is a wholly-owned subsidiary of Save & Prosper Group Limited. Save & Prosper Group Limited, the holding company, will act as the manager of SPRAIT, and its wholly-owned subsidiaries Save & Prosper Registrars Limited and Save & Prosper Investment Management Limited will, respectively, provide registration services and investment advice: for further details see paragraph (i) under "Contracts" in Appendix 4.

TAX

The Directors have been advised that SPRAIT should, on the present facts, qualify for approval as an Investment Trust under Section 359 of the Income and Corporation Taxes Act 1970, the effect of which, under present legislation, is that SPRAIT will not be liable to tax on capital gains. The Trusts do not, under present legislation, have any liability to tax on capital gains. Shareholders and Warrantholders may, however, be liable to tax on gains arising on the disposal of their securities (including the winding-up of SPRAIT).

Dividends paid by SPRAIT will be franked investment income.

ACCOUNTS AND DIVIDENDS

The financial year end of SPRAIT is 31st May. The first accounts, which will be made up to 31st May 1985, will be published in July 1985. Dividends will normally be paid on Preferred Shares on 31st May and 30th November in each year (the first dividend payment, adjusted to reflect the period from the date of allotment, being paid on 30th November 1984). Dividends on Ordinary Shares are expected to be paid on 31st December and 30th June by way of a first and second interim in respect of each accounting period ending 31st May (the first dividend being paid on 31st December 1984). The Directors expect to be able to declare dividends totalling approximately 1.5p per Ordinary Share in respect of the period to 31st May 1985, in addition to the reinvestment of equalisation of approximately 2p per Ordinary Share as referred to below.

The actual amount of dividends on the Ordinary Shares will depend upon the distributions received from the underlying investments. It is the Directors' intention under normal circumstances to distribute substantially all of the available income of SPRAIT each year but they may retain up to 15% of this income in order to maintain as far as possible a smooth flow of dividends.

Equalisation

The first distributions which SPRAIT will receive from the Trusts in respect of each new investment will comprise two elements: first an income element which, subject to any possible retention mentioned above, will be paid out in dividends to the Shareholders; and secondly, equalisation, which is a capital element, representing a refund of accrued income in the price of units up to the date of purchase. Receipts in respect of equalisation will be immediately reinvested in units of the respective Trusts. The effect will be that the income available to Ordinary Shareholders in respect of the period ending 31st May 1985 will, as mentioned above, be reduced to reflect this capital element; however, the net asset value of SPRAIT will be increased, substantially to the benefit of Ordinary Shareholders.

OTHER INFORMATION

Your attention is drawn to Appendices 1 to 4 which form part of this Document.

APPENDIX 1

Particulars of the Warrants

Warrants will be issued subject to and with the benefit of the following Conditions:—

1. **Subscription Rights**

(a) A registered holder ("a holder") of a Warrant shall have rights to subscribe ("subscription rights") in cash on 1st June ("subscription date") in any of the years 1990 to 1995 inclusive for all or any of the Ordinary Shares of 50p each specified in the Warrant at 100p per Ordinary Share and for the same number of 6.3–13.3% Cumulative Limited Participating Preferred Shares of 100p each ("Preferred Shares") at 100p per Preferred Share (but not for one class of share only or for a different number of shares of each class). The amounts to be subscribed ("subscription price") are payable in full on subscription.

(b) In order to exercise the subscription rights the holder of a Warrant must lodge it at the office of the Registrars of the Company not less than 7 days prior to the relevant subscription date, having completed the Notice of Subscription thereon, accompanied by a remittance for the total subscription price of the Ordinary Shares and Preferred Shares in respect of which the subscription rights are exercised. Once lodged, a Notice of Subscription shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory requirements for the time being applicable.

(c) Not earlier than six weeks nor later than four weeks before each subscription date the Company shall give notice in writing to the holders of the outstanding Warrants on at the close of business on the 14th April preceding the relevant subscription date, reminding them of their subscription rights.

(d) The Preferred Shares and Ordinary Shares issued pursuant to the exercise of subscription rights will be allotted not later than 14 days after and with effect from the relevant subscription date and certificates in respect thereof will be issued not later than 28 days after the relevant subscription date to the persons in whose names the Warrants are registered at the date of such exercise or (subject as permitted by law) to such other persons as may be named in the Form of Nomination on the reverse of the Warrant. In the event of a partial exercise of the subscription rights comprised in a Warrant, the Company shall at the same time issue a fresh Warrant in the name of the holder for any balance of his subscription rights remaining exercisable.

(e) Neither Preferred Shares nor Ordinary Shares allotted pursuant to the exercise of subscription rights will rank for any dividends or other distributions declared, made or paid in respect of any financial year of the Company prior to the financial year in which the subscription date falls but, subject thereto, will rank pari passu in all other respects with the Preferred Shares or, as the case may be, Ordinary Shares in issue at that date including in full for all dividends and other distributions in respect of the then current financial year but not for any earlier period.

(f) Application will be made to the Council of The Stock Exchange for the Preferred Shares and Ordinary Shares allotted pursuant to any exercise of subscription rights to be admitted to the Official List and the Company will use all reasonable endeavours to obtain the grant thereof not later than 14 days after the relevant subscription date.

2. **Other Provisions**

So long as any subscription rights remain exercisable:—

(a) the Company shall not in any way modify the rights attached to its existing Preferred Shares or Ordinary Shares on separate classes, or create any new class of share capital;

(b) the Company shall not issue any shares (otherwise than pursuant to the subscription rights) or grant or agree to grant any options to subscribe or issue or agree to issue any securities carrying rights to convert into any share capital of the Company;

(c) the Company shall keep available for issue without the need for the passing of any resolution by Shareholders sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable;

(d) upon any sub-division or consolidation of the Preferred or Ordinary Shares on or before the final subscription date the number and nominal value of shares to be subscribed on any subsequent exercise of subscription rights will be increased or, as the case may be, reduced in due proportion and the appropriate subscription price per share and the ratio of shares to be subscribed will be adjusted in such manner as the Auditors for the time being of the Company shall certify on the appropriate adjustments and within 28 days of such adjustments notice will be sent to each holder together with a Warrant in respect of any additional shares which that holder is entitled to subscribe in consequence thereof; fractional entitlements being ignored;

(e) the Company shall not (i) amend the provisions concerning winding-up in its Articles of Association, (ii) [illegible], (iii) reduce its share capital or (except as authorised by Section 58 of the Companies Act 1948 as from time to time amended or re-enacted) any share premium account, or (iv) purchase or redeem any share capital;

(f) if at any time an offer is made to all Ordinary Shareholders of the Company (or all such Shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the Warrantholders of such vesting within 14 days of becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice (which date shall be deemed to be a subscription date), to exercise his subscription rights on the terms (subject to any adjustment pursuant to sub-paragraph (d) of this Condition) set out in Condition 1 above; and

(g) if at any time before 2nd June 1995 one or more of the Directors shall have reasonable grounds for believing that pursuant to any law for the time being in force in England a resolution for the voluntary winding-up or liquidation of assets of the Company is likely to be passed, or an order for the winding-up by the court or the appointment of a liquidator or provisional liquidator or administrator of the Company is likely to be made within a period not exceeding the next following 28 days, then (i) they shall forthwith hold a meeting of Directors and form a view whether there would be available a surplus of assets of funds for distribution among the Shareholders [illegible] (iv) the shares arising on such exercise shall not (notwithstanding paragraph (e) of Condition 1 above) entitle the holders to any dividends equivalent to those which may already have been paid to holders of the Preferred or Ordinary Shares in respect of the financial year then current; and (v) none of the Directors shall in the absence of fraud be liable to any Warrantholder or Shareholder by reason of anything done or omitted to be done by the Directors in connection with any of the foregoing matters.

3. **Modification of Rights**

(i) All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an extraordinary resolution of the holders of the Warrants.

(ii) For the purposes of these Particulars "extraordinary resolution" means a resolution proposed at a meeting of the holders duly convened and held and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll. All the provisions of the Articles of Association for the time being of the Company as to General Meetings shall mutatis mutandis apply as though the Warrants were a class of shares forming part of the capital of the Company but so that (a) the period of notice shall be 21 days at least, (b) the necessary quorum shall be holders (present in person or by proxy) entitled to subscribe one-third in nominal amount of both the Preferred Shares and Ordinary Shares attributable to the then outstanding Warrants, (c) every holder present in person at any such meeting shall be entitled on a show of hands to one vote and every holder present in person or by proxy shall be entitled on a poll to one vote for every Preferred Share and one vote for every Ordinary Share for which he is entitled to subscribe, (d) any holder present in person or by proxy may demand or join in demanding a poll, and (e) if at any adjourned meeting a quorum as above defined is not present, those holders who are then present in person or by proxy shall be a quorum.

4. **Transfer**

Each Warrant will be registered and will be transferable in whole or in part by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors. The right to subscribe an Ordinary Share may not be transferred separately from the right to subscribe a Preferred Share contained in the same Warrant or vice versa. No transfer of a right to subscribe for a fraction of an Ordinary Share or a Preferred Share may be effected.

5. **General**

The Company will concurrently with the issue of the same to its Preferred Shareholders and/or its Ordinary Shareholders send to each Warrantholder (or in the case of joint holders to the first-named) a copy of each published annual report and accounts of the Company together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued to Preferred and/or Ordinary Shareholders.

APPENDIX 2

Information on the Trusts

1. **THE PORTFOLIOS**

High Return

The valuation for 19th April 1984 of the investments and other net assets of the Trust was as follows:—

Holding		Offer price valuation £	Holding		Offer price valuation £
250,000	AAH Holdings	280,000	280,000	King & Shaxson	421,200
190,000	Akroyd & Smithers	972,000	217,800	Liverpool Daily Post & Echo	507,474
600,884	Allied-Lyons	967,423	100,896	Lloyds Bank	631,364
25,000	Anglia Television Group	46,750	490,480	London & Midland Industrials	632,719
400,548	B.A.T. Industries	953,304	1,131,430	London & Northern Group	831,801
300,000	Babcock International	495,000	128,450	London & Scottish Marine Oil—Oil Production Stock Units	590,870
280,000	Baird (William)	910,000	50	Lonrho Aug 160 Put Options ‡	10,500
1,088,206	Barrow Hepburn Group	448,165	702,962	†Lonrho**	1,002,738
750,000	BBA Group	292,500	150,000	Manders (Holdings)	262,500
252,360	Beckman (A)	247,313	100,000	Meyer International	148,000
525,581	Bellway	840,930	270,152	Midland Bank	1,018,473
351,829	BICC	931,817	363,020	Minster Assets	540,900
400,000	Bridport-Gundry	334,000	748,000	Morgan Crucible	1,245,820
242,927	British Electric Traction Co.	643,757	720,000	Mucklow (A & J) Group	597,600
430,618	†British Petroleum Co.*	2,150,380	800,000	Newman-Tonks Group	534,000
550,000	British Steam Specialties Group	489,500	907,208	Norcros	1,442,461
425,000	Britoil	1,134,750	515,958	Ocean Transport & Trading	850,105
2,000,000	Brooke Bond Group	1,570,000	878,438	Peninsular & Oriental	2,008,238
300,800	Burmah Oil	559,488	125,000	Powell Duffryn	427,500
100,000	Canning (W)	107,000	100,000	Prudential Corporation	477,000
403,880	Caparo Industries	175,688	405,408	Rank Organisation	997,304
100,000	Caparo Industries 8.75% Conv. Cum. Red. Pref.	130,000	1,200,000	Ranks Hovis McDougall	1,086,000
358,000	Cartwright (R) (Hldgs)	409,260	106,500	Redfearn National Glass	117,150
128,357	Cater Allen Holdings	688,846	334,500	Richardsons Westgarth	83,680
1,151,156	Coats Patons	1,542,549	£750,000	Rio Tinto-Zinc 8.5% CULS 1995/2000	1,125,000
1,800,000	Comben Group	1,062,000	400,000	Rothmans International	580,000
280,000	Commercial Union Assurance Co.	616,800	300,000	Royal Insurance	1,748,000
65,000	Consolidated Gold Fields	383,500	£300,000	Sheffield Forgemasters Hldgs 13% Conv. Sub. ULS 2002	300,000
475,000	Cookson Group	1,624,500	300,000	600 Group	250,500
900,000	Croda International	1,208,000	193,080	Standard Chartered Bank	1,032,978
190,951	Dalgety	916,565	325,500	TI Group	828,770
689,701	Debenhams	1,317,328	135,150	Tate & Lyle	580,873
700,000	Delta Group	654,500	2,750,000	Tootal Group	1,292,500
560,747	Dobson Park Industries	404,789	110,000	Trafford Park Estates	191,400
1,001,774	DRG	1,372,430	£700,000	Treasury 12¾% 1995	770,875
600,000	Ellis & Goldstein (Holdings)	297,000	£6,000	Treasury 14½% 1994	7,328
21,400	Equity Capital for Industry	14,338	311,200	Trident Television	426,344
£300,000	Exchequer 15% 1997	377,825	1,151,432	Unigate	1,381,718
702,530	Ferguson Industrial Holdings	1,063,795	400,000	United Biscuits (Holdings)	888,000
350,000	Freemans	448,000	200,966	United Newspapers	639,072
855,850	GEI International	667,563	305,900	United Wire Group	303,831
751,277	Glynwed International	1,164,479	373,810	Westwell	459,786
199,074	Grampian Holdings	187,222	400,750	Whitecroft	848,208
300,000	Hepworth Ceramic Holdings	495,000		Cash and other net assets	1,744,728
115,000	Hickling-Pentecost	68,350		Total Value of Investments	£66,798,990
1,112,018	IMI	884,054			
412	Imperial Chemical Industries	2,554			
1,548,961	Imperial Group	2,274,033			
400,000	Jessel, Toynbee & Gillett	412,000			
1,250,000	Johnson & Firth Brown	218,750			
150,000	Johnson & Firth Brown 11.05% Cum. Conv. Pref.	115,500			

† Subject to written call options as noted. One call option contract represents 1,000 shares. The current offer value of the traded options has been deducted from the market value of the security.
‡ One put option contract represents 1,000 shares.
* (1 B.P. Apr 390 Call Options £1,100)
(2 B.P. Apr 420 Call Options £1,600)
** (50 Lonrho Aug 160 Call Options £2,500)
Initially SPRAIT will invest approximately £14.6m in this Trust.

SAVE & PROSPER

Smaller Companies Income

The valuation for 19th April 1984 of the investments and other net assets of the Trust was as follows:—

Holding		Offer price valuation £	Holding		Offer price valuation £
100,000	AIM Group	97,000	20,000	London & Scottish Marine Oil	92,000
400,000	Airsprung Group	252,000	500,000	LRC International	470,000
125,000	Alexander (Walter)	100,250	100,000	Lyle Shipping	87,000
125,000	Baird (William)	406,250	180,000	May & Hassell	212,400
175,000	Barr & Wallace Arnold Trust	164,500	450,000	McKechnie Brothers	697,500
150,000	Beazer (C. H.) (Holdings)	561,000	220,259	Meyer International	325,983
75,000	Black & Edgington (Holdings)	84,000	250,000	Minster Assets	372,500
30,000	Black & Edgington (Holdings) 1% Conv. Part. Cum. Pref	99,000	700,000	Mitchell Cotts	409,500
200,000	Bramall (C. D.)	332,000	350,000	Morgan Crucible Co.	584,500
525,000	British Syphon Industries	393,750	150,000	Munton Brothers	86,250
100,000	Bulmer (H. P.) Holdings	217,000	400,000	Newman-Tonks Group	356,000
300,000	Burmah Oil	558,000	240,000	Park Place Investments	328,800
400,000	Canning (W.)	428,000	275,000	Parker (Frederick) Group	83,875
175,000	Cape Industries	173,250	100,000	Powell Duffryn	342,000
140,000	Carron Group	22,400	150,000	Provident Financial Group	247,500
500,000	Causton (Sir Joseph) & Sons	350,000	75,000	Refuge Assurance	330,000
300,000	Clifford's Dairies	369,000	300,000	Riley Leisure	336,000
500,000	Comben Group	295,000	200,000	600 Group	167,000
901,166	Corah	558,723	350,000	Saville Gordon (J.) Group	252,000
200,000	Deborah Services	134,000	112,500	Scapa Group	330,750
250,000	Dom Holdings	242,500	90,000	Scholes (George H.)	290,700
13,000	Equity Capital for Industry	8,710	75,000	Scottish Agricultural Inds.	271,500
£370,000	Exchequer 13¼% 1994	418,025	200,000	Scruttons	118,000
400,000	Fine Art Developments	276,000	1,035,000	Senior Engineering Group	212,175
200,000	General Scottish Trust	242,000	120,000	Sidlaw Group	506,400
25,000	Grampian Holdings	21,000	400,000	Stentright Holdings	298,000
400,000	H.A.T. Group	476,000	180,000	Stewart Wrightson Holdings	718,400
210,000	Harrison Cowley (Holdings)	304,500	150,000	Sytone	220,500
300,000	Jourdan (Thomas)	312,000	75,000	Tod (W. & J.)	129,000
250,000	Kent (M.P.)	112,500	500,000	Tomkins (F. H.)	315,000
100,000	London & Midland Industrials	128,000	200,000	Ward White Group	232,000
500,000	London & Northern Group	367,500		Cash and other net assets	50,131
				Total Value of Investments	£17,981,222

Initially SPRAIT will invest approximately £8.8m in this Trust

American Income & Growth

The valuation for 19th April 1984 of the investments and other net assets of the Trust was as follows:—

Holding		Offer price valuation £	Holding		Offer price valuation £
US$200,000	†American Medical International 9½% Conv. Sub. Deb. 2001*	181,918	US$200,000	National Bancshares Corp. Texas 10% Conv. Sub Deb. 2006	152,548
4,500	Anheuser-Busch Cum. Conv. P'fd. A	149,894	US$170,000	†Pfizer 8¾% Conv. Sub. Deb. 2005*	150,783
2,300	BellSouth Corp.	143,497	US$220,000	Pulte Home Corp. 8½% Conv. Sub. Deb. 2008	134,722
10,500	Bethlehem Steel Cum. Conv. P'fd. B	202,635	7,600	†RCA Corp. Cum. Conv. P'fd. E*	148,947
US$270,000	Boeing Co. 8⅞% Conv. Sub. Deb. 2006	213,338	US$200,000	Seagram (Jos. E.) & Sons 8¼% Conv. Sub. Deb. 2008	150,420
3,000	†Boise Cascade Cum. Conv. Ex. Pref. B*	113,501	2,800	Signal Cos. 8½% Cum. Conv. P'fd. A	102,644
US$150,000	Computer Products 7% Conv. Sub. Bonds 1999	98,810	US$200,000	Texaco Capital 11⅜% Conv. Sub. Deb. 1994	141,170
6,000	†Cooper Industries Conv. Cum. P'fd.*	143,881	US$100,000	Timeplex 7½% Conv. Sub. Deb. 2008	63,031
US$100,000	Digital Switch 8% Conv. Sub. Deb. 2003	53,186	US$140,000	Union Carbide Corp. 10% Conv. Sub. Deb. 2006	106,584
US$100,000	Ensearch 10% Conv. Sub. Deb. 2001	69,107	2,340	†Union Pacific Corp. 7¼% Cum. Conv. P'fd. A*	166,866
US$180,000	GTE Corp. 10½% Conv. Sub. Deb. 2007	135,687	6,500	United Technologies Cum. Conv. P'fd. O	140,333
US$140,000	General Cinema Corp. 10% Conv. Sub. Deb. 2006	107,551	US$200,000	Viacom International 9¼% Conv. Sub. Deb. 2007	158,094
11,100	LTV Corp. Cum. Conv. P'fd. B	231,821		Cash and other net assets	787,245
US$200,000	Lomas 8½% Conv. Sub. Deb. 2004	151,346		Total Value of Investments	£4,488,255
5,000	†McDermott International Cum. Conv. P'fd. A*	107,818			

† Subject to written call options as noted. One call option contract represents 100 shares. The current offer value of the traded options has been deducted from the market value of the security.
* Call Options:
(40 American Medical International June 25 Call Options £3,172)
(10 Boise Cascade Nov 45 Call Options £1,762)
(15 Cooper Industries Oct 35 Call Options £1,190)
(15 McDermott International Nov 35 Call Options £1,454)
(20 Pfizer Dec 40 Call Options £2,115)
(20 RCA Corp. Sept 40 Call Options £1,410)
(40 Union Pacific Corp Aug 50 Call Options £6,346)

Initially SPRAIT will invest approximately £5.8m in this Trust.

2. **FURTHER INFORMATION**

Management Charges

The Trust Deed of each Trust permits the unit trust managers to include in the unit offer price an initial charge not exceeding 5% (5.25% in the case of American Income & Growth) together with a rounding adjustment not exceeding the lower of 1% or 1.25p per unit. In addition, an annual charge, currently of 75p (£1.00 in the case of American Income & Growth) per £100 of the value of the Trust plus VAT, is deducted from the assets of the Trust in question and out of this managers' expenses including trustee's fees are met. Each Trust Deed allows a maximum annual charge of £1.00 (£1.50 in the case of American Income & Growth) per £100 of the value of the Trust. Any increase in the annual charge within this maximum is subject to 3 months' notice from the managers to unitholders.

Distribution Dates

High Return: 28th February and 28th August

Smaller Companies Income: 15th May and 15th November

American Income & Growth: 15th June and 15th December.

Managers

The managers of each of the Trusts are Save & Prosper Securities Limited (a member of the Unit Trust Association).

The directors of the managers are:

C. J. Messer (Chairman)
J. Burnett-Stuart
Sir Donald Cameron of Lochiel
W. G. Cochrane
R. J. Hebblethwaite (Executive)
D. H. Maitland
P. J. Manser (Executive)
J. G. Tregoning (Executive)
E. M. P. Welman

Trustee

The trustee for each Trust is Bank of Scotland, The Mound, Edinburgh EH1 1YZ which holds the title to the Trusts' investments.

Auditors

The auditors of each Trust are Ernst & Whinney, 39 Melville Street, Edinburgh EH3 7JL.

Listing

None of the units in the Trusts is listed on any stock exchange.

Trust Deeds

The Trust Deeds constituting the Trusts contain provisions, inter alia, to the following effect:—

(a) For the managers to purchase units from unitholders at a price per unit being not less than the price ascertained by dividing the value of the deposited property (calculated on the highest market dealing bid prices and otherwise in accordance with paragraph (ii) (a) under "Contracts" in Appendix 4) by the number of units then in issue or deemed to be in issue; by deducting the estimated costs of selling that part of the deposited property necessary to raise the realisation price; and adjusting the resulting total downward by not more than the lesser of 1.25p or 1% ("the rounding adjustment"). The rounding adjustment may be retained by the managers of the Trusts.

(b) For the investment of the deposited property of each Trust in stipulated classes of investments or on short term deposit in accordance with the relevant scheme of investment. Not more than (1) 5% of the deposited property may, generally, be invested by each Trust in any particular security, (2) 10% of a particular security may be held by each Trust; and (3) 20% of the deposited property may be invested in securities dealt in on the Unlisted Securities Market of The Stock Exchange provided that this limit may be exceeded so long as the value of the relevant Trust's total holdings of USM investments and unquoted securities does not exceed 25% of the deposited property. Subject to specified limitations the Trusts may purchase authorised call and put options and write authorised call options.

(c) Enabling the use of back to back loans (and the charging of the deposited property in that connection) for the purpose of acquiring foreign currency investments and, in the case of American Income & Growth, seeking to protect the value of the deposited property from future changes in the value of the foreign currencies in which investments held by the Trust are denominated.

(d) Exempting the trustee and the managers from liability for various specified matters and indemnifying them out of the deposited property in respect of various specified liabilities.

(e) Releasing the trustee and the managers from their fiduciary obligations to unitholders in respect of various specified matters.

(f) For the termination of the Trusts on the giving of notice by the trustee and/or the managers on the occurrence of certain specified events and for the merger of the Trusts with other authorised unit trust schemes.

(g) For the modification of the Trust Deeds constituting the Trusts, including for the purpose of increasing the maximum annual charge referred to under "Management Charges" above, on obtaining the sanction of unitholders in accordance with the Trust Deeds. The trustee and the managers may themselves modify the Trust Deeds provided that the trustee certifies in writing that in its opinion such modification does not prejudice the interests of unitholders or operate to release the trustee or the managers from any responsibility to unitholders.

APPENDIX 3

Accountants' Report

The following is a copy of a report dated 30th April 1984 received by the Directors of SPRAIT and Robert Fleming from Ernst & Whinney, the Auditors to SPRAIT:—

"The Directors,
Save & Prosper Return of Assets Investment Trust PLC,
4 Great St. Helens,
London EC3P 3EP.

The Directors,
Robert Fleming & Co. Limited,
8 Crosby Square,
London EC3A 6AN.

Becket House,
1 Lambeth Palace Road,
London SE1 7EU.

30th April 1984.

Dear Sirs,

We report that Save & Prosper Return of Assets Investment Trust PLC was incorporated on 3rd April 1984 and that since that date no audited accounts have been made up, no dividends have been declared or paid and the Company has not commenced business.

Yours faithfully,
Ernst & Whinney
Chartered Accountants".

APPENDIX 4

Statutory and General Information

Share Capital

(i) SPRAIT was incorporated in England on 3rd April 1984 as a public limited company under the Companies Acts 1948 to 1983 with Registered No. 1805708 and with an authorised share capital of £50,000 divided into 100,000 Ordinary Shares of 50p each. (ii) On 26th April 1984 (a) 2 Ordinary Shares were issued to the subscribers to the Memorandum of Association, (b) the authorised share capital of SPRAIT was increased to £27,000,000 divided into 15,000,000 Ordinary Shares of 50p each and 18,000,000 0 3–13 3% Cumulative Limited Participating Preferred Shares of 100p each; and (c) SPRAIT altered its Memorandum of Association and adopted new Articles of Association. (iii) On 27th April 1984 3,000,000 Warrants were created with the rights set out in Appendix 1. (iv) SPRAIT has applied to the Registrar of Companies for a certificate under Section 4 of the Companies Act 1980 entitling SPRAIT to do business.

Articles of Association

The Articles of Association of SPRAIT contain, *inter alia*, provisions to the following effect —

(i) Duration
Unless released from such obligation by Extraordinary Resolutions passed at separate General Meetings of the Ordinary Shareholders and the Preferred Shareholders on or before 31st December 2007, the Board shall (at such times as it shall think fit) convene a General Meeting of SPRAIT to be held on or after 1st January 2008 and before 31st December 2010 at which a Special Resolution will be proposed requiring SPRAIT to be wound up voluntarily. At such meeting every member present in person or by proxy and entitled to vote is required to vote in favour of such resolution.

(ii) Directors
(a) The minimum number of Directors is two and the maximum ten.
(b) No share qualification shall be required.
(c) Subject to the provisions of the Companies Acts 1948 to 1983, the Directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms (including remuneration) as they think fit and, subject to the terms of any contract between him and SPRAIT, may at any time revoke any such appointment. At each Annual General Meeting one-third of the Directors (or the number nearest to but not exceeding one-third) shall retire by rotation.
(d) Subject to the provisions of the Companies Acts 1948 to 1983, a Director may hold any other office or place of profit under SPRAIT or any other company in which it is interested (other than that of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director is disqualified by his office from contracting with SPRAIT or any other company in which it is interested or is liable to account to SPRAIT for any profit realised by any such contract by reason of such Director holding that office. Any Director may act by himself or his firm in a professional capacity for SPRAIT (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
(e) The remuneration of the Directors shall be determined by Ordinary Resolution of a General Meeting of SPRAIT. The Directors may be paid all reasonable expenses properly incurred by them in attending meetings of the Directors and committees of the Directors, General Meetings or otherwise in or about the business of SPRAIT.
(f) Any Director who, in the opinion of the Directors, performs services outside the scope of the ordinary duties of a Director, may be paid such remuneration as the Directors may think fit either in addition to or in substitution for any other remuneration he may be entitled to receive.
(g) Save in relation to certain specific exceptions in the Articles (for example concerning the giving of security in respect of obligations incurred by a Director on behalf of the Company, an offer of securities in which he is interested as an underwriter, or a pension or employees' share scheme which is subject to Inland Revenue approval) a Director shall not vote (or be counted in the quorum present at a meeting of the Directors in relation to any resolution on which he is debarred from voting) in regard to any contract, transaction, arrangement or proposal in which he has a material interest. Subject to the provisions of the Companies Acts 1948 to 1983, SPRAIT may by Ordinary Resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of such provisions.
(h) No person shall be disqualified from being appointed a Director and no Director shall be required to vacate his office by reason only of the fact that he has attained the age of 70 years or any other age, nor shall it be necessary to comply with any other special formality in connection with the appointment of a Director over a specified age.
(i) The Directors may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with SPRAIT or any subsidiary or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the insurance of any such person.

(iii) Borrowing Powers
The Directors of SPRAIT may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and, subject to the Companies Acts 1948 to 1983 and to the Articles, to issue debentures and other securities whether outright or as a collateral security for any debt, liability or obligation of SPRAIT or of any third party. The Directors shall restrict the borrowings of SPRAIT and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only insofar as by the exercise of such rights or powers of control the Directors can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by SPRAIT and its subsidiaries (other than from any of such companies) shall not at any time, without the previous sanction of an Ordinary Resolution of the Company and also such consent or sanction on the part of the Ordinary Shareholders and the Preferred Shareholders as separate classes as is required for the variation of the special rights attached to either class of such shares, exceed a sum equal to the aggregate of the amount paid up on the issued share capital for the time being of SPRAIT and the amounts standing to the credit of reserves of SPRAIT and its subsidiaries.

(iv) Capital Reserve
The Directors of SPRAIT shall establish a capital reserve and carry to the credit of such reserve or apply in providing for depreciation or contingencies all capital appreciation arising on the sale, realisation or re-valuation of any capital assets of SPRAIT in excess of the book value thereof. Any losses realised on the sale or realisation of any capital assets and any taxation arising in consequence of any such sale or realisation may be debited against the capital reserve except insofar as the Directors shall in their discretion decide to make good the same out of other funds of SPRAIT. The capital reserve and all moneys in the nature of accretion to capital assets, shall not be available for dividend.

(v) Issue of Securities
Subject to the provisions of the Companies Acts 1948 to 1983, all unissued shares are at the disposal of the Directors for the purpose of allotting and issuing shares in accordance with the Issue and on the exercise of subscription rights under the Warrants. The Directors are, for a period of five years from 26th April 1984, generally authorised in accordance with Section 14 of the Companies Act 1980 and empowered in accordance with Section 18 of that Act as if Section 17(1) thereof did not apply, to allot and to make offers or agreements to allot relevant securities up to the current authorised share capital referred to in paragraph (ii) under "Share Capital" above. The creation or issue of further shares requires the separate consents of the Ordinary Shareholders and the Preferred Shareholders; see further paragraph (vii) below.

(vi) Rights attaching to the Preferred Shares
The rights, as regards participation in the profits and assets of SPRAIT and voting, attaching to the Preferred Shares are as follows,—

(a) they are entitled, in priority to any payment of dividend on any other class of shares, to a fixed cumulative preferential dividend at the rate of 6.3% per annum in respect of the year ending 31st May 1985 and at the following rates per annum in respect of the following years,—

Year ending 31st May	Rate per cent.
1986	7.0
1987	7.7
1988	8.4
1989	9.1
1990	9.8
1991	10.5
1992	11.2
1993	11.9
1994	12.6
1995 and subsequent years	13.3

to be paid, if and so far as in the opinion of the Directors the profits of the Company available for distribution justify such payments, half-yearly on 31st May and 30th November in every year in respect of the half-years ending on those dates. The first dividend is payable on 30th November 1984 in respect of the period from the date of allotment of the relevant shares to that date;

(b) on a return of assets on a winding-up of SPRAIT the assets available for distribution among the Shareholders shall (subject to any provision made under Section 74 of the 1980 Act) be applied, first, in repaying to the Preferred Shareholders the sum of 100p per share together with any arrears of dividend, secondly, in paying to the Ordinary Shareholders any sums standing to the credit of revenue reserves and the sum of 100p per share and, thirdly, in distributing the balance as to 90% to the Ordinary Shareholders and 10% to the Preferred Shareholders; and

(c) the Preferred Shares do not entitle holders to vote on any resolution (other than for winding-up SPRAIT or reducing its share capital or a resolution varying or abrogating any of the special rights attached to the Preferred Shares) unless at that time the Preferred dividend is six months in arrears.

(vii) Variation of Rights
The following (in addition to (i) above) constitute variations of the respective rights of the Preferred Shareholders and of the Ordinary Shareholders,—
(a) any enlargement in the borrowing powers summarised in paragraph (iii) above;
(b) any reduction in share capital or share premium account or any capital reserve fund of SPRAIT which involves a return of capital or any purchase of shares by SPRAIT;
(c) any investment of the assets of SPRAIT other than (1) in units of Smaller Companies Income, American Income & Growth and High Return in the proportions 30%, 20% and 50% respectively when an investment is made or (2) in a form of indebtedness repayable not later than six months after the date of investment.
(d) the creation or issue of further shares (other than to satisfy the subscription rights under the Warrants); and
(e) the payment of any dividend by the distribution of specific assets.

All or any of the rights or privileges attaching to the Ordinary Shares or the Preferred Shares as a class may, subject to the provisions of the Companies Acts 1948 to 1983, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of such shares.

(viii) Voting
Subject to disenfranchisement of a member in the event of non-payment of any calls or other moneys due and payable in respect of any shares or non-compliance with a statutory notice requiring disclosure as to beneficial ownership and subject to any special terms as to voting on which any shares may be held, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share or (subject to paragraph (vi) (c) above) Preferred Share held by him.

Offer for Sale and Placing Agreement

Under an agreement dated 27th April 1984 and made between SPRAIT, the Directors, Save & Prosper Group Limited and Robert Fleming, Robert Fleming has agreed, subject to the Council of The Stock Exchange agreeing to admit to the Official List (subject to acceptance) no later than 17th May 1984 the Ordinary Shares, the Warrants and the Preferred Shares now being offered or placed, to subscribe 14,999,998 Ordinary Shares of 50p each in SPRAIT at a subscription price of 68.95p per share and 3,000,000 Warrants at a subscription price of 49.25p each and to offer to the public 15,000,000 Ordinary Shares and 3,000,000 Warrants at a price of 70p per share and 50p per Warrant. Under this agreement Robert Fleming will pay underwriting commissions of 1.25% (plus Value Added Tax) of the Offer for Sale price on 15,000,000 Ordinary Shares and 3,000,000 Warrants in SPRAIT (including to those persons who have already indicated to the Directors their intention to make firm applications for 11,250,000 Ordinary Shares and 1,250,000 Warrants) and a fee to the Brokers to the Issue. It has further agreed, subject to the same condition, to subscribe or to procure subscribers for the Preferred Shares for a commission of £70,250 (plus Value Added Tax), out of which it may pay commissions of £25,250 (plus Value Added Tax) to Stock Jobbers and to persons agreeing to subscribe and will pay a fee to the Brokers to the Issue. SPRAIT has agreed to pay all costs and expenses of and incidental to the Issue including any applicable Value Added Tax including the expenses of printing, advertising, circulating this Document, capital duty, registrars' expenses relating to the Issue and the fees and expenses of the reporting accountants and of the advisers to SPRAIT and to Robert Fleming. These expenses are estimated to amount to £770,000 (including Value Added Tax). Save & Prosper Group Limited has agreed to indemnify SPRAIT in the event of SPRAIT suffering certain losses in connection with the Issue.

Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by SPRAIT since its incorporation and are or may be, material —

(i) Under an agreement dated 27th April 1984 and made between SPRAIT, Save & Prosper Group Limited ("the Manager"), Save & Prosper Investment Management Limited ("the Investment Adviser"), Save & Prosper Registrars Limited ("the Registrars") and Robert Fleming:
(a) the Registrars were appointed and agreed, *inter alia*, to act as receiving banker and registrar for the Issue for a fee of £20,000 and act to maintain the registers of Shareholders and Warrantholders and prepare and despatch documents to Shareholders and Warrantholders, without payment of remuneration but subject to reimbursement of any costs and expenses reasonably and properly incurred in carrying out its functions.
(b) the Manager was appointed and agreed to act as manager of SPRAIT to carry out the functions of, *inter alia*, arranging for safe keeping of the investments and preparing statutory accounts and returns,
(c) the Investment Adviser was appointed and agreed, *inter alia*, to advise SPRAIT from time to time in relation to its investments and effect any change in investments approved by Shareholders.
Neither the Manager nor the Investment Adviser shall receive any remuneration for the discharge of their functions for so long as SPRAIT only invests in the Trusts in the specified proportions. If the Shareholders of SPRAIT approve an alteration in the investment policy of SPRAIT pursuant to the Articles of Association (see paragraph (vii)(c) under "Articles of Association") they shall be entitled to such remuneration as is agreed with SPRAIT from time to time. They are entitled to reimbursement of any costs and expenses reasonably and properly incurred in carrying out their functions.
The agreement is conditional upon the completion of the issue to SPRAIT of a certificate pursuant to Section 4 of the Companies Act 1980 by 31st May 1984. The agreement will continue for ten years from commencement unless terminated by the prior occurrence of stipulated events, such as the winding-up of a party and thereafter subject to three months' notice by SPRAIT and two years' notice by the Manager, the Investment Adviser or the Registrars.

(ii) Under an agreement dated 27th April 1984 and made between SPRAIT and Save & Prosper Securities Limited ("Securities"), Securities agreed to issue to SPRAIT new units in High Return, Smaller Companies Income and American Income & Growth as to 50%, 30% and 20% respectively of the proceeds of the Issue. Securities also agreed to issue to SPRAIT further units in respect of (1) any equalisation payment received from a Trust (and in the Trust making such payment) and (2) the proceeds of any exercise of subscription rights pursuant to the Warrants (and in the proportions mentioned above). The price of a unit to be issued is calculated as follows —
(a) the value of the underlying property of the respective Trust is calculated on the basis of the lowest market dealing offer prices (or, in the case of unquoted investments or investments in respect of which a market dealing price is not available at any time, as provided in the Trust Deed) subject to (1) adjustments for units (other than units to be issued pursuant to the agreement) agreed to be but not yet issued and investments agreed to be purchased or sold but not yet completed and (2) deductions for the value of call options written over investments of the Trust and (3) where notice of reduction of the Trust by cancellation of units has been given but such cancellation has not been completed, deductions in respect of the sum payable on cancellation and (4) deductions for management charges (and VAT thereon) accrued but unpaid, any tax on capital gains accrued or estimated as being due and tax relating to income estimated to be payable, borrowings outstanding (and interest due thereon) and subject to (5) adjustment for conversion of foreign currency and (6) the addition of tax repayments due or estimated as being due and income deemed to have been received;
(b) such value is divided by the number of units in issue and deemed to be in issue;
(c) there is added to such sum such amount as Securities considers to represent fiscal and purchase charges which will become due on the acquisition of investments pursuant to the subscription; and
(d) the resultant figure is adjusted upwards by not more than the lesser of 1.25p or 1% per unit ("the rounding adjustment").
Securities intend to charge a rounding adjustment of not more than 1.25p or 1% per unit issued to SPRAIT. The agreement is conditional upon completion of the issue, the issue to SPRAIT of a certificate pursuant to Section 4 of the Companies Act 1980 and the Trusts continuing to be authorised unit trust schemes and there being no material change in such schemes before the first issue of units to SPRAIT.

(iii) The Offer for Sale and Placing Agreement referred to under "Offer for Sale and Placing Agreement" above.

Disclosure of Interests

(i) There are no service contracts existing between SPRAIT and its Directors and no such contracts are proposed. It is the present intention of the Directors that no remuneration should be paid to them save for a fee of £500 per annum payable to J.D. Webster.
(ii) The following hold shares in Save & Prosper Group Limited: C J Messer 12,000, P T Bateman 1,250, R J Hebblethwaite 15,000, P J Marlow 5,000 and J Burnett-Stuart 5,676. In addition each of the first four has options to subscribe for additional shares in Save & Prosper Group Limited. Save & Prosper Group Limited or one of its subsidiaries may subscribe up to one million Preferred Shares in SPRAIT.
(iii) Save as disclosed in (ii) above and under "Managers" in Appendix 2, no Director has any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to SPRAIT since the date of incorporation, or are proposed to be acquired or disposed of by or leased to SPRAIT.
(iv) Save as disclosed in (ii) and (iii) above, no Director has a material interest in any contract or arrangement entered into by SPRAIT which is significant in relation to the business of SPRAIT.
(v) No Director has any interest (as defined by the Companies Act 1967 as amended) in the share capital of SPRAIT.
(vi) On the basis of the intentions to apply notified to the Directors, no applicant will on allotment have an interest through its holding of Ordinary Shares of 5 per cent. or more (assuming no exercise of Warrants) of the ordinary share capital of SPRAIT.
(vii) Robert Fleming Holdings Limited and its subsidiaries together own approximately 58% of the issued ordinary share capital of Save & Prosper Group Limited.

General

(i) Save as disclosed under "Share Capital" and "Offer for Sale and Placing Agreement" above:
(a) no share or loan capital of SPRAIT has been issued or agreed to be issued for cash or otherwise since its incorporation;
(b) no commissions, discounts, brokerages or other special terms have been agreed by SPRAIT since its incorporation in connection with the issue of any of its share capital; and
(c) no share or loan capital of SPRAIT is under option or agreed conditionally or unconditionally to be put under option.
(ii) SPRAIT is not engaged in any litigation and does not have any claim of material importance pending or threatened by or against it.
(iii) It is the intention of the Directors so to conduct the affairs of SPRAIT that it satisfies the requirements for qualification as an investment company laid down in Section 41 of the Companies Act 1980 and SPRAIT has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to that Section.
(iv) The minimum amount which in the opinion of the Directors must be raised by the Issue in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 is £30m made up as follows:
(a) purchase of property—nil
(b) preliminary expenses and expenses of the Issue—£250 and £770,000 respectively
(c) repayment of money borrowed—nil
(d) working capital available for investment—£29,229,750.
(v) There were attached to the copy of this Document delivered to the Registrar of Companies for registration the Application Forms, copies of the Report of Ernst & Whinney and their written consent referred to below and of the agreements referred to under "Contracts" above.

Consent

Ernst & Whinney have given and have not withdrawn their written consent to the issue of this Document with the inclusion therein of their Report set out above in the form and context in which it is included.

Documents on display

Copies of the following documents will be available for inspection at the offices of Linklaters & Paines, Barrington House, 59/67 Gresham Street, London EC2V 7JA during normal business hours on any weekday (Saturdays and public holidays excepted) for 14 days from the date hereof:
(i) the Memorandum and Articles of Association of SPRAIT;
(ii) copies of the documents attached to the copy of this Document delivered to the Registrar of Companies as referred to above;
(iii) the Trust Deeds of the Trusts; and
(iv) the published audited accounts for the latest two financial years of High Return and Smaller Companies Income.

30th April 1984.

Procedure for Applications

Save & Prosper Registrars Limited, 4 Great St Helens, London EC3P 3EP will receive applications as follows:

Ordinary Shares—a minimum of 500 shares and in multiples of 100 shares up to 1,000 shares, thereafter in multiples of 500 shares up to 10,000 shares and thereafter in multiples of 1,000 shares.

Warrants—a minimum of 500 Warrants and in multiples of 100 Warrants up to 1,000 Warrants, thereafter in multiples of 500 Warrants up to 10,000 Warrants and thereafter in multiples of 1,000 Warrants.

Applications must be made on the relevant Application Form provided and must be accompanied by a separate sterling cheque or banker's draft for the full amount payable on application, which must be drawn on a branch in *England, Scotland, Wales or Northern Ireland* of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by the members of those clearing houses and must bear the appropriate sorting code number in the top right hand corner.

Cheques/banker's drafts must be made payable to "Save & Prosper Registrars Limited" and crossed "Not Negotiable". It is intended to clear the cheques of successful applicants and to retain Letters of Acceptance and surplus application moneys pending such clearance. Nevertheless, the right is reserved to present all cheques/banker's drafts for payment on receipt. Completion and delivery of an Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation; attention is drawn to the declaration in the Application Form to that effect. The right is reserved to reject any application, in particular multiple or suspected multiple applications, or to accept any application in part only. The right is also reserved to treat as valid any applications which do not fully comply with the conditions set out in the Application Forms. Formal acceptance of those offers constituted by applications which have been selected for acceptance will be effected by notification of the bases of allocation to The Stock Exchange. Applications will be irrevocable until and including 17th May 1984 and may only be revoked after that date to the extent not accepted prior to receipt of revocation.

Acceptance of applications is conditional on the Council of The Stock Exchange having agreed to admit the share capital of the Company and Warrants, issued and now being issued, to the Official List not later than 17th May 1984. Moneys paid in respect of applications will be returned if such condition is not fulfilled by that date and in the meanwhile will be retained by Save & Prosper Registrars Limited in separate bank accounts for shares and Warrants pending allocation or return of application moneys or any excess thereof. If any application is not accepted or is accepted for fewer shares or Warrants than the number applied for, the application moneys or the balance of such moneys, as the case may be, will be returned, without interest, through the post at the applicant's risk. It is expected that Letters of Acceptance for Ordinary Shares and Warrants will be posted at the applicant's risk to successful applicants on 10th May 1984.

Arrangements have been made for the registration by the Company of the Ordinary Shares and Warrants now offered for sale in the names of successful applicants or persons in whose favour Letters of Acceptance have been renounced free of stamp duty, provided that, in cases of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration not later than 15th June 1984. Definitive Share Certificates and Warrants will be posted by 13th July 1984.

No person receiving a copy of this Document or any accompanying document in any territory other than the United Kingdom may treat the same as constituting an invitation to him nor should he in any event use any Application Form, unless in the relevant territory such an invitation could lawfully be made to him or such Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in such territory. All applications under this Document, acceptances thereof and the resulting contracts shall be governed by and construed in accordance with the laws of England.

Copies of this Document with Application Forms may be obtained from:

Save & Prosper Group Limited,
4 Great St Helens,
London EC3P 3EP.

Save & Prosper Group Limited,
Erskine House,
68/73 Queen Street,
Edinburgh EH2 4NX.

Save & Prosper Group Limited,
Trident House,
Renfrew Road,
Paisley PA3 4EF.

Robert Fleming & Co. Limited,
8 Crosby Square,
London EC3A 6AN.

Laing & Cruickshank,
Incorporating McAnally Montgomery & Co.
Piercy House,
7 Copthall Avenue,
London EC2R 7BE.

Application Form—ORDINARY SHARES

The application list for the Ordinary Shares now offered for sale will open at 10 a.m. on Friday, 4th May 1984 and may be closed at any time thereafter. This Form duly completed, together with a sterling cheque or banker's draft (drawn on a branch in England, Scotland, Wales or Northern Ireland, of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by the members of those clearing houses and bearing the appropriate sorting code number in the top right hand corner) made payable to "Save & Prosper Registrars Limited", and crossed "Not Negotiable", representing payment in full at the application price, should be lodged with Save & Prosper Registrars Limited, 4 Great St Helens, London EC3P 3EP, not later than 10 a.m. on Friday, 4th May 1984. A separate cheque or banker's draft must accompany each application. All cheques are liable to be presented for payment.
Applicants are advised to use first class post and to allow at least 2 days for delivery.

SAVE & PROSPER RETURN OF ASSETS INVESTMENT TRUST PLC

(Incorporated in England and Wales under the Companies Acts 1948 to 1983 with registered number 1805708)

Offer for Sale by Robert Fleming & Co. Limited of 15,000,000 Ordinary Shares of 50p each at 70p per share payable in full on application

Applications must be for a minimum of 500 shares and in multiples of 100 shares up to 1,000 shares, thereafter in multiples of 500 shares up to 10,000 shares and thereafter in multiples of 1,000 shares. The right is reserved to reject any application, in particular multiple or suspected multiple applications.

*Number of Ordinary Shares applied for	**Amount enclosed at 70p per share
	£

To: Robert Fleming & Co. Limited.

I/We enclose a cheque/banker's draft payable to Save & Prosper Registrars Limited for the above-mentioned sum **, being the amount payable in full on application for the above-stated number *of Ordinary Shares of 50p each of *Save & Prosper Return of Assets Investment Trust PLC* ("the Company") at 70p per share. I/We offer to purchase that number of shares or any lesser number in respect of which this application may be accepted on the terms and subject to the conditions of the Offer for Sale dated 30th April 1984 and subject to the Memorandum and Articles of Association of the Company. I/We hereby authorise you to send a renounceable Letter of Acceptance for the number of shares in respect of which this application has been accepted, and/or a cheque for any moneys returnable, by post at my/our risk to the address given in the box below and to procure my/our name(s) to be placed on the Register of Members of the Company in respect of so many of such shares the right to which is not effectively renounced.

In consideration of Robert Fleming & Co. Limited agreeing to consider applications upon the terms and subject to the conditions of the said Offer for Sale for an aggregate number of 15,000,000 Ordinary Shares of 50p each of the Company at 70p per share, I/we agree that this application shall be irrevocable until and including 17th May 1984 and that this paragraph shall constitute a collateral contract between me/us and Robert Fleming & Co. Limited which shall *become binding upon despatch of this Application Form to Save & Prosper Registrars Limited.*

I/We agree that, in respect of those shares for which my/our application is not rejected in accordance with the terms of the said Offer for Sale, notification to The Stock Exchange of the basis of allocation shall constitute acceptance of my/our application on such terms.

I/We declare that completion and delivery of this Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation.

I/We acknowledge that the Letters of Acceptance and cheques for any moneys returnable may be held pending clearance of applicants' cheques.

For Office use only
1. Acceptance letter No.
2. Number of shares allocated
3. Amount returned
4. Cheque No.
5. Split/Registration

1. Signature.......................................

Dated.......................................1984

Please use Block Capitals

Surname (Mr., Mrs., Miss or Title) ....
Christian or Forename(s) (in full) ....
Address (in full) ....

Please pin your cheque here

(In the case of Joint Applications all further applicants must sign and complete below)

2. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

3. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

4. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

A corporation should sign under the hand of a duly authorised officer who should state his representative capacity.

No receipt will be issued for the payment on application, but an acknowledgement will be forwarded through the post in due course either by a fully paid Letter of Acceptance for all the Ordinary Shares applied for, or by a fully paid Letter of Acceptance for part of the shares applied for and a cheque for any surplus moneys, or by the return by cheque through the post of the application moneys, in each case at the risk of the applicant(s).

SAVE & PROSPER

Application Form—WARRANTS

The application list for the Warrants now offered for sale will open at 10 a.m. on Friday, 4th May 1984 and may be closed at any time thereafter. This Form duly completed, together with a sterling cheque or banker's draft (drawn on a branch in England, Scotland, Wales or Northern Ireland, of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by the members of those clearing houses and bearing the appropriate sorting code number in the top right hand corner) made payable to "Save & Prosper Registrars Limited", and crossed "Not Negotiable", representing payment in full at the application price, should be lodged with Save & Prosper Registrars Limited, 4 Great St Helens, London EC3P 3EP, not later than 10 a.m. on Friday, 4th May 1984. A separate cheque or banker's draft must accompany each application. All cheques are liable to be presented for payment.
Applicants are advised to use first class post and to allow at least 2 days for delivery.

SAVE & PROSPER RETURN OF ASSETS INVESTMENT TRUST PLC

(Incorporated in England and Wales under the Companies Acts 1948 to 1983 with registered number 1805708)

Offer for Sale by Robert Fleming & Co. Limited of 3,000,000 Warrants at 50p each payable in full on application

Applications must be for a minimum of 500 Warrants and in multiples of 100 Warrants up to 1,000 Warrants, thereafter in multiples of 500 Warrants up to 10,000 Warrants and thereafter in multiples of 1,000 Warrants. The right is reserved to reject any application, in particular multiple or suspected multiple applications.

*Number of Warrants applied for	**Amount enclosed at 50p per Warrant
	£

To: Robert Fleming & Co. Limited.

I/We enclose a cheque/banker's draft payable to Save & Prosper Registrars Limited for the above-mentioned sum **, being the amount payable in full on application for the above-stated number *of Warrants of Save & Prosper Return of Assets Investment Trust PLC ("the Company") at 50p each. I/We offer to purchase that number of Warrants or any lesser number in respect of which this application may be accepted on the terms and subject to the conditions of the Offer for Sale dated 30th April 1984 and subject to the Provisions of the Warrants. I/We hereby authorise you to send a renounceable Letter of Acceptance for the number of Warrants in respect of which this application has been accepted, and/or a cheque for any moneys returnable, by post at my/our risk to the address given in the box below and to procure my/our name(s) to be placed on the Register of Warrantholders in respect of so many of such Warrants the right to which is not effectively renounced.

In consideration of Robert Fleming & Co. Limited agreeing to consider applications upon the terms and subject to the conditions of the said Offer for Sale for an aggregate number of 3,000,000 Warrants of the Company at 50p each, I/we agree that this application shall be irrevocable until and including 17th May 1984 and that this paragraph shall constitute a collateral contract between me/us and Robert Fleming & Co. Limited which shall become binding upon despatch of this Application Form to Save & Prosper Registrars Limited.

I/We agree that, in respect of those Warrants for which my/our application is not rejected in accordance with the terms of the said Offer for Sale, notification to The Stock Exchange of the basis of allocation shall constitute acceptance of my/our application on such terms.

I/We declare that completion and delivery of this Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation.

I/We acknowledge that the Letters of Acceptance and cheques for any moneys returnable may be held pending clearance of applicants' cheques.

For Office use only
1. Acceptance letter No.
2. Number of Warrants allocated
3. Amount returned
4. Cheque No.
5. Split/Registration

1. Signature.......................................

Dated.......................................1984

Please use Block Capitals

Surname (Mr., Mrs., Miss or Title) ....
Christian or Forename(s) (in full) ....
Address (in full) ....

Please pin your cheque here

(In the case of Joint Applications all further applicants must sign and complete below)

2. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

3. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

4. Surname (Mr., Mrs., Miss or Title) ....
Please use Block Capitals
Christian or Forename(s) (in full) ....
Address (in full) ....
Signature..........

A corporation should sign under the hand of a duly authorised officer who should state his representative capacity.

No receipt will be issued for the payment on application, but an acknowledgement will be forwarded through the post in due course either by a fully paid Letter of Acceptance for all the Warrants applied for, or by a fully paid Letter of Acceptance for part of the Warrants applied for and a cheque for any surplus moneys, or by the return by cheque through the post of the application moneys, in each case at the risk of the applicant(s).

SAVE & PROSPER

UK COMPANY NEWS

Pentland's 65% rise confirms progress

THE MARKED improvement foreseen at mid-way by the directors of Pentland Industries was confirmed with the announcement of a 65 per cent increase in taxable profits, up from £1.01m to £1.68m, for calendar 1983.

There will be a final dividend of 1.75p against 1.455p, to lift the total from 1.83p to 2.17p. A one-for-four scrip issue is proposed.

Turnover rose by £11.55m to £51.45m while tax absorbed £423,000 this time against a £120,000 credit. Minorities took £329,000, up from £89,000, and there was an extraordinary debit of £32,000 (£8,000) to leave £893,000, attributable, down from £1.04m.

Commenting on the current year, the directors state that first quarter trading is ahead of the comparable period and that indications are encouraging for the remainder of the year.

Earnings per share stood at 7.46p, against 7.31p restated after the elimination of the previous year tax adjustment amounting to £139,000.

Pentland is controlled ultimately by Robert Stephen Holdings. Its business is that of an industrial holding company.

● comment

Pentland's emergence from four years in the doldrums sent the shares up 8p to 103p, beating the previous high by 4p. The 29 per cent increase in sales came with a slight widening in margins—a more than usually welcome achievement for a company which devotes 70 per cent of its turnover to the cut-throat athletics and leisure industries. Margins in the U.S. were doubtless helped by the strength of the dollar, especially on Brazilian and Far Eastern imported footwear. The fact that Pentland does almost no manufacturing adds flexibility to its pricing and should make it easy to turn on the tap when demand strengthens. There are limits, however. Reebok has been forced to hold off new orders until July and the suppliers have found it hard to keep up momentum for the Kickers business. At home, one or two troublesome start-up ventures have begun to come good. That, plus a boost to volumes expected from the summer Olympics points to perhaps £2m pre-tax this time, indicating a multiple of almost 11, assuming a 25 per cent tax charge.

Foseco Minsep up £5.8m after better second half

A SHARP recovery in the second six months enabled Foseco Minsep to push its pre-tax profits for the full 1983 year up from a depressed £14.87m to £20.62m.

In their interim statement the directors said the first-half figures reflected some recovery from the depressed conditions encountered in the second half of 1982 and they looked for a continuation of the improvement.

Pre-tax profits for the second six months of 1983 rose from last time's £6.54m to £12.81m.

Mr David Atterton, the chairman, said yesterday that the group's performance in the current year so far was "not bad." He added that the profits performance of the second half was "sustainable."

Over the past year Foseco metallurgy-related businesses did well against a difficult trading background. Losses were eliminated in the U.S. and there was a general improvement in many other countries.

The Unicorn abrasive products sector saw a steady improvement throughout the year and the Fosroc businesses, supplying materials to the building, construction and mining industries, benefited from a good performance of a joint venture in Saudi Arabia. Here, the results were consolidated for the first time, and accounted for £750,000 of the sector's gain in trading profits.

With full-year earnings up by 5.5p to 12.9p per 25p share the final dividend is being lifted from 4.35p to 4.7p to make a net total of 7.35p (7p).

Group sales, including those of the related companies, expanded from £357.41m to £397.66m and a divisional breakdown of these and trading profits (£26.09m, against £19.32m) shows: Foseco £199.54m (£185.46m) and £13.8m (£11.2m), Unicorn £105.41m (£100.08m) and £4.9m (£3.7m), Fosroc £75.41m (£52.89m) and £8.02m (£5.63m) and Fosmin £17.31m (£18.98m) and £0.85m (£0.81m). Group management and services accounted for £1.48m (£1.82m).

Foseco Minsep is a manufacturer of specialised chemical and other products used principally by the metallurgical construction, engineering and mining industries.

Pre-tax profits were struck after deducting net interest charges of £5.47m, compared with a previous £4.45m.

Tax rose by £555,000 to £8.45m to leave the net balance £5.2m ahead at £12.17m.

Minorities and preference dividends absorbed £1.64m (£940,000) but extraordinary items added £13,000 (took £12.12m). The profit attributable to ordinary shareholders emerged at £10.55m (£6.08m loss).

Allowing for current cost adjustments pre-tax profits totalled £16.1m (£8.5m) and on the same basis earnings per share amounted to 7.9p (0.3p loss).

See Lex

HIGHLIGHTS

The strength of the dollar against sterling is examined by Lex which surveys the latest currency swings in the light of a disappointing performance of the UK balance of payments. The column goes on to look at the commercial property market, against the background of a sharp rise in Hammerson's income. Elsewhere, Save & Prosper has launched its Return of Assets Investment Trust and Hanson Trust has sold one of its original American operations, Seacoast, for £21m.

New trust launched by S & P

Save & Prosper, the investment management group 58 per cent owned by merchant bank Robert Fleming, is launching a new investment trust through a £30m offer for sale and placing. The trust, called the Save & Prosper Return of Assets Investment Trust (SPRAIT), will invest solely in three S & P unit trusts. Brokers to the issue are Laing & Cruickshank.

The prospectus is issued today, application lists open on May 4 and dealings are expected to start on May 11.

The trust has a novel and complex capital structure with two classes of shares—preferred and ordinary—and warrants. The 15m preferred shares, being placed at 120p a share, will attract an initial dividend of 8.3p net (giving a gross yield of 7.5 per cent) rising by 0.7p net each year until 1995, after which the preferred dividend will be static.

The ordinary shares, also 15m in number, are being offered at 70p each, a 30 per cent discount to the asset value of 100p.

The starting yield of 5 per cent will be low compared with the preferred shares but after 1995 any increases in the trust's revenue will all go to the ordinary shares. There are also 3m warrants on offer at 50p each, which carry the right to convert into one of each class of shares at 200p between 1990 and 1995.

When the trust is wound up, planned to be in the period 2008-2010, the preferred shares will be entitled to a return of 100p plus 10 per cent of assets, while the ordinary shareholders will receive 100p plus 90 per cent of assets.

The cash raised, £29.3m after expenses, will be invested 50 per cent in the S & P High Return fund, 30 per cent in the S & P Smaller Companies Income fund and, to gain some international exposure, 20 per cent in the American Income & Growth fund. The combined yield on the three is 8½ per cent.

● comment

S. & P. and Laing & Cruickshank have come up with an interesting new line in investment trusts, and there could soon be imitators. The launch should be a success, with buyers for a large part of the issue already found. The high gearing on the ordinary shares, kindly provided by the preferred shareholders in return for their guaranteed income, depends on a 7½ per cent annual growth rate of the trust's assets and income. If the rate is significantly lower, ordinary shareholders will be worse off than in an ungeared fund. The managers seem confident of achieving that target, as they have done on two of the unit trusts (the third is new) over the past 15 to 20 years.

Effectively the premium being paid by the buyers of preferred shares and the cash from the sale of warrants is paying for the discount to assets at which the ordinary shares are being sold.

Moreover, the existence of the low risk preferred shares allows a much higher gearing, both capital and income, on the ordinary shares. The two types of shares appeal to different sorts of investors — the preferred mainly to investment trusts, unit trusts and individuals, and the ordinary to long term funds such as pension funds and life companies.

Hammerson £27m profit: dividend up to 15p

THE INCREASE in profit achieved by Hammerson Property Investment and Development Corporation for 1983 turns out to be nearly £6.5m. The pre-tax balance for the year came to £26.9m, compared with not less than £26.5m forecast and with £20.41m recorded for 1982.

As promised, the final dividend is 12p on capital increased under the acquisition of the Mascan Corporation, and makes a net total of 15p for the year, against 13p. Shareholders are to be given the option to take shares in lieu of all or part of their final dividend (details will come later), and there is to be a one-for-one scrip issue.

At the end of the year the value of the group's investment property portfolio was £980.3m.

In the year, gross rental income expanded from £68.15m to £74.75m, and there was a profit of £24.98m (£18.06m). In addition, gross profits from property trading came to £1.92m (£2.34m).

After tax £8.69m (£7.2m)—taking into account £699,000 (£3.42m) double tax relief, £1.26m (nil) overseas provision no longer required, and £196,000 (£1.13m) prior year adjustments—and minorities £672,000 (£758,000), the net attributable profit was £17.53m (£12.45m). Earnings come to 25.78p (21.18p) per share.

There are extraordinary credits of £504,000 (£6.8m, which included £6.6m generated by the Australian Mutual Provident transaction) and the dividend cost is £10.97m (£8.69m).

See Lex

Greggs allocations

Some 81,000 applications have been received for a total of over 225m shares for Greggs offer for sale of 2.53m ordinary 20p shares at 135p each (90 times the number of shares offered).

Preferential applications from existing shareholders have been accepted in full as well as preferential applications from employees to a maximum allotment of 5,200 shares per employee.

The remaining shares have been allocated on the following basis:

Between 200 shares and 9,000 shares—weighted ballot for 200 shares; for 10,000 shares—200 shares; between 15,000 and 20,000 shares—250 shares; for 25,000 shares and over—approximately 1.25 per cent of those shares applied for, subject to a maximum of 10,000 shares.

The Stock Exchange has admitted Greggs share capital to the Official List and dealings will commence on Friday, May 4.

Brikat for USM

Laing & Cruikshank will be bringing Brikat to the Unlisted Securities Market, a group which produces and distributes packaged accounting software, on Monday May 14 with a market capitalisation of around £6.6m.

Brikat also distributes and maintains micro-computer hardware, and sells computer and general stationery.

The group will be placing 25 per cent of the equity of which 15 per cent will be new money to assist in its expansion in the U.S. It made £130,000 pre-tax profits last year and £247,000 in the first half of the current year to July 31. It should comfortably exceed £500,000 for the year.

Better margins boost Menzies to over £13m

IMPROVEMENT in margins in the retail division and subsidiaries has been achieved by John Menzies in the 53 weeks ended January 31 1984. From sales 15 per cent higher at £461.2m, compared with £401.6m, the pre-tax profits have been pushed up by 26 per cent. from £10.5m to £13.2m. The dividend is raised by 1p to 6p net, with a final of 4p, and there is to be a 1-for-1 scrip issue.

The directors of this wholesale and retail newsagent, bookselling, stationery and toy group, report that all activities enjoyed a satisfactory year with sales benefiting from the economic recovery. Sales of micro-computers were "outstanding" although restricted by supply shortages.

Menzies has been active in the acquisition of related businesses and the opening of new outlets, while improving the retail chain.

As regards the Budget proposals, the directors say the group tax charge will come closer to the prevailing rate of corporation tax. Overall, the Budget should be helpful to consumer discretionary expenditure.

The current year has started well and they are optimistic that the group will add a further period of profit growth to the last 10 years of unbroken rise.

Net operating costs during the year absorbed £448m (£391.1m) and that included interest paid of £2.2m (£2.5m). After tax £4m (£2.5m)—of which £600,000 this time is deferred—minorities £200,000 (£100,000) and extraordinary debits £5.2m (£6.1m) representing goodwill written off from acquisitions made in the year, the net profit attributable came out at £3.8m (£1.8m). Earnings are shown at 31.7p (27.8p) per share.

● comment

It looks as if Menzies' remarkably steady growth record will continue into the current year. On the retailing side, though, progress may be slowing. Store area grew by 3½ per cent last year, and should increase by a further 4 per cent this year. But whereas last year some small CTNs were still being sold off, that process is now complete, and all Menzies' outlets are profitable. The distribution side is not an inherently growing area, though it should be possible to improve on last year's strike-hit performance. But the group is still active in making acquisitions—no less than five last year—and is building up an interesting sideline in book distribution to libraries. It now has sales of £30m in this division, being the biggest operator in the UK, Australia and Canada, and having established a presence in the U.S. through last year's John Coutts acquisition. The company's own projection for current year pre-tax—subject to the usual caveats—is £16m. On an expected 40 per cent tax charge, this puts the shares—up 25p at 378p—on a fairly modest prospective multiple of 11.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albany Inv.	1.75	June 29	1.5	2.45	2.2
Brit. Inv. Tst.	6.6	—	5.8	11.7	10.6
Foseco Minsep	4.7	July 2	4.35	7.35	7
Grovebell	0.25	July 2	nil	0.25	nil
Hammerson Prop.	12†	June 18	10	15	13
Kwik-Fit	0.78	—	0.68*	1.57	1.36*
P. & W. Maclellan	1.1	July 2	1	1.8	1.5
Marlborough Prop.	0.3	—	0.45	0.5	0.45
John Menzies	4	—	3.4	6	6
Pentland Inds.	1.75	July 5	1.48	2.17	1.83
Ropner	2.75	June 29	2.75§	4.5	4.5§
Silvermines	3‖	—	2	3.5	3.5
Singapore Para	0.8¶	—	0.4	0.8	0.4
Utd. Friendly Ins.	8.25‡	—	6.75	12.25	9.8
Windsor Securities int.	0.5	June 22	nil	—	0.75

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For nine months. ‖ Irish currency throughout.

32% offer for sale gives Comcap full SE listing

BY ALISON HOGAN

Comcap, a company which supplies and finances IBM computer equipment in the UK and Europe, was established in 1978 with a capital investment of just £50,000. Next Tuesday it expects to join the Stock Exchange with a full listing and a market capitalisation in excess of £20m.

From day one, the management insisted that every deal must make cash profits and that customers should be fairly large and highly credit worthy so that almost all funding was non-recourse business.

European operating subsidiaries in Germany, Switzerland, Holland and Denmark are all operated by local people who have the strong incentives of a sizable stake in the company and high degree of autonomy to develop the business.

The result has been a growth in pre-tax profits from £19,000 in 1980 to £1.21m in the year to December 1983. Turnover over the same period has grown from £7.25m to £31.96m of which over 65 per cent came from overseas.

The company now has a portfolio of leased IBM computer equipment in excess of £33m. It follows a very conservative accounting policy and does not recognise as income any residual value of leased equipment until it is either remarketed or released.

A large proportion of the existing portfolio will be reverting to Comcap in the next couple of years (41 per cent by the end of 1986) and some £2.5m could be realised from the renewal of leases or remarketing of the equipment.

Comcap has concentrated to date on the medium to large sized IBM computer ranges, but may diversify, for example, into the IBM personal computer. It could also, in the future, develop computer software and engineering services.

The company expects to build on its small computer personnel recruitment business, presently directed mainly to the Middle East.

By building up a wide European business from the start, Comcap has been able to respond quickly to cross country demand for equipment — in its lifecycle a computer may be moved to a number of different users in different countries.

Atlantic Leasing is an obvious comparison to Comcap on the Stock Exchange, though much larger, with some different interests and different accounting policies.

Wardley London will be offering for sale around 32 per cent of the Comcap equity, roughly half in new shares, at a fixed price expected to give a p/e somewhere around 30. Brokers to the issue are W. Greenwell.

United Friendly expansion

Pre-tax profits expanded from a restated £2.81m to £7.44m at Unlisted Securities Market company United Friendly Insurance for 1983. The net final dividend has been lifted from 6.75p to 8.25p which increases the total from 9.8p to 12.25p.

Accounting policy for expenses arising on settlement of claims was changed during 1983 from a cash to an accruals basis. It is considered that this policy will give a fairer presentation of results.

Provision for expenses arising on settlement of claims outstanding at the end of 1982, less tax was £312,000. In restating results for 1982 on basis of the new policy, a net charge has been made in that year of £59,000. The remainder, £253,000 relating to 1981 and earlier years, has been charged against retained profit brought forward at the beginning of 1982.

For the year under review there was a transfer from revenue accounts in general business of £2.91m (transfer to the same of £702,000). In long term business, industrial amounted to £2m (£1.75m) and ordinary to £600,000 (£450,000) while investment income slipped from £2.25m to £2.11m.

UK COMPANY NEWS

Ropner profits down £2m to £3.4m but dividend maintained

ALTHOUGH SECOND half profits of Ropner, shipowner, insurance broker, engineer, were higher than those of the first, full 1983 year figures were well down at £3.39m pre-tax, compared with £5.47m for the previous nine months.

The dividend is maintained, however, at 4.5p net per 25p share with a same-again distribution of 2.75p.

After six months profits had slumped to £1.42m (£3.54m), but the directors were expecting property sales in the second half to lift profits against those of the first.

They now say that these did not materialise and that is seems probable the exchange of contracts, the point at which profit is taken, will not arise until the second half of the current year.

The directors explain that the reduction in the 1983 profits arose partly from an increased net interest charge—up from £1.68m to £2.26m—but more from the absence of property sales and from the rephasing of a large Airtech contract.

A divisional analysis of pre-tax profits shows: shipping £1.15m (£603,000); engineering £2.14m (£2.95m); garden products £1.4m (£732,000); insurance broking £145,000 (£297,000); property development £63,000 loss (£1.39m profit); investment income not directly related to trading activities £841,000 (£1.19m).

The directors say that following the successful integration of Associated Sprayers, acquired in March 1983, the garden products sector had a good year.

Both Hozelock-ASL and Airtech made an encouraging start in the current year and have good order books. While the shipping freight market shows only a slight sign of improvement, results from the shipping division will benefit by a £376,000 per annum reduction in the depreciation charge following the downward revaluation of m.v. Salmonpool.

Turnover for the period advanced from £30.86m to £40.14m and after tax, £1.63m (£2.58m), minorities £29,000 (£214,000) and extraordinary credits, much higher at £4.7m (£527,000)—deferred tax provision release—the attributable balance came through doubled at £6.42m, compared with £3.2m.

Dividends will absorb £1.42m (£1.36m). Earnings per share are shown as 5.9p against 10.5p.

Silvermines increases sharply to I£2.3m

FOLLOWING an "outstanding" year from Anglian Windows, which more than doubled its contribution, pre-tax profits at Dublin-based Silvermines jumped from I£0.72m to I£2.28m for 1983.

The net final dividend has been held at 2p which maintains the total at 3.5p. Earnings per share were down from 10.47p to 9.29p.

This investment holding company was formed to acquire lead, zinc, silver, copper and baryte bearing properties in the County of Tipperary. On top of the £2.37m (I£1.07m) contribution from Anglian Windows there was also royalty income of I£629,550 (I£606,092) from the Magcobar Baryte Mine and I£318,792 (I£253,581) from the Kinsale Head Gas Field.

The directors say that Anglian sales are running at more than £100m a year and the company has benefited from the recent upturn in the UK economy.

They point out that the year was not without its difficulties. One of the company's investments in a new venture area, precision engineer KME International, made a loss of I£387,000 and the total cost of the investment has been written off.

The value of the Marathon entitlement has been greatly enhanced following the oil discovery by the Gulf/Atlantic consortium on a block directly adjoining the Marathon area in the Celtic Sea.

Marlborough £0.48m into the red but payout rises to 0.5p

Following a £199,000 loss at midway, against profits of £115,000, Marlborough Property Holdings ended the 1983 year £479,000 in the red, compared with £510,000 profits.

However, a final dividend of 0.3p makes a total of 0.5p per 5p share. A single payment of 0.45p was paid last time.

Turnover was well down at £1.48m (£2.63m). Net rental income fell from £618,000 to £478,000 while pre-tax profits on sales of trading properties were halved at £335,000 (£677,000).

Loss per share is given as 1.56p (1.62p earnings).

Since December 31 the directors say it has been agreed that the partnership with Property & Reversionary Investment for the development of the joint project at Albany Park will cease. The company will acquire, from its associate Albany Commercial & Industrial Development, that element of the site which is available for future development.

The company is selling back its shareholding at par in the joint company to Property & Reversionary which will retain a completed development and a site to be redeveloped which has been re-let. The directors say they have, accordingly, reversed the company's undistributed profits of Albany previously recognised, which amounted to £176,000 after tax, and which will no longer accrue to Marlborough.

Taking a professional valuation of the company's development sites into account, the directors consider that the net asset value per share is not less than 42p before tax, an increase of some 30 per cent since the last valuation in 1980.

Two investments were disposed of during the year and the proceeds reinvested. The directors say the timing of this, and the loss of rent due to the commencement of a major redevelopment in Walton, has meant a lower gross rent income figure of £589,000 (£686,000).

Since the proceeds have now been reinvested and more income will become available as developments are completed, rental income for the 1984 year should exceed £800,000, and on an annualised basis it will be in excess of £900,000, directors state.

The chairman says that towards the end of 1983 and in the early part of the current year a number of shop investments in Surrey towns were acquired to give the group the benefit of income and in certain cases the added prospect of medium-term redevelopment or restructuring to improve growth.

"The concentration of the group's activities in proven growth areas means that we are well placed to take advantage of the significant increase in tenant demand which is now being seen," Mr Lange states. He adds that directors look forward to future development of the group with continued optimism.

Rothschild draws $22m for new currency fund

N. M. Rothschild has attracted $22m (£16m) in initial subscriptions for Old Court Currency Fund, its new investment company which aims to provide a wholesale rate of return for liquid funds from a range of fourteen currencies chosen by the investor.

The fund is a follow-up to Rothschild's successful Old Court International Reserves. Introduced after the Inland Revenue clamp-down on roll-up funds, it will be aimed particularly at UK investors.

It should qualify as a "distributor" under new regulations to be introduced by the Revenue. Income accruing to each class of shares (one class for each currency) will be paid as a twice yearly dividend and be subject to income tax. Currency gains arising on disposal will be taxed as capital gains.

The Japanese yen has topped the list as the most popular currency accounting for around a quarter of the subscriptions so far, followed by the Deutsche Mark with around 22 per cent. The Danish krone is the most popular of the remaining EMS currencies presently commanding interest rates of nearly 10 per cent.

Shareholders may convert from one class of share to another, usually by telephone, with no additional charge for switching. The management fee is 16 per cent per month on the net asset value of the company.

Investors with a minimum of £100,000 can elect to have their investment managed by a discretionary currency selection service for an additional one half of 1 per cent per annum.

COMPANY NEWS IN BRIEF

Authority Investments, which has interests in banking, investment trading, and property achieved taxable profits of £206,000 in the six months to October 31, 1983. This compares with £216,000 for the comparable seven month period.

Banking services contributed £111,000 (£149,000) to profits. Gross profits from other activities totalled £960,000 (£742,000) on turnover of £1.95m (£1.49m).

The taxable result was struck after administration expenses of £306,000 (£367,000) and interest of £954,000 (£605,000). It included other operating income of £155,000 (£182,000), income from other fixed asset investments of £215,000 (£113,000) and associate profits of £3,000 (£3,000).

There is no dividend; the last payment was made in December 1975. Earnings per 20p share were 4.08p (4.31p) after tax of £1,600 (£1,000).

* * *

Net asset value per share of the Albany Investment Trust increased from 69.78p to 89.43p as at the year ended February 29 1984.

After tax of £63,000, against £61,000, revenue emerged at £130,000, compared with £118,000, for the 12 months, and the dividend is stepped up to 2.45p net (2.2p) with a final of 1.75p.

* * *

At March 31 1984 the net asset value of North Sea Assets had fallen to 173.67p, compared with 179.76p at September 30 1983 and with 192.09p a year earlier.

But since March 31, one of the investments, Ramco Oil Services, has raised new capital and gained entry to the USM; North Sea Assets has retained its investment and the valuation of its holding in Ramco at the current price provides an increase of 18.5p over the March figure in the net asset value.

The company is a specialist investment trust with the aim of capital growth through primarily unquoted investment in the oil and gas industry.

In the six months ended March 31 1984 income amounted to £747,000 against £421,000 in the corresponding period. Interest took £555,000 (£19,000), expenses £150,000 (£125,000) and tax £49,000 (£132,000), leaving an available loss of £7,000 (profit £145,000), equivalent to 0.06p (earnings 1.21p) per share. This loss, the directors stress, should not be taken as a guide to the full year.

* * *

Net asset value of British Investment Trust rose to 407p against 336p for the year to the end of March 1984. Last September the figure came to 374p.

Available revenue for the year moved up from £6.89m to £7.32m and earnings per 25p share increased from 11.03p to 11.72p. The net final dividend has been lifted from 5.8p to 6.6p which raises the total from 10.6p to 11.7p.

Revenue for the year moved up from £11.2m to £12.09m. Tax took more at £4.09m (£3.66m). The company is a subsidiary of Black Diamonds Pensions.

* * *

As forecast at midyear second half pre-tax profits of P. & W. Maclellan, at £391,000, exceeded the £317,000 reported for the whole of the previous year and lifted the 1983 total to £412,000. Earnings improved by 66 per cent to 5p and a final dividend of 1.1p makes 1.6p, compared with 1.5p.

Turnover of this industrial and agricultural supplier rose from £6.63m to £7.69m. Tax added £16,000 (took £63,000) to leave £428,000 (£254,000).

* * *

Although reduced, losses continued at Thomson T-Line, timber merchant, with a pre-tax deficit of £145,350, against a £299,889 loss, for the year ended 1983.

There will be no dividend, as in each year since 1980. The company was last in the black in 1976.

Turnover fell from £1.92m to £1.8m.

Losses per share, before the extraordinary item, were reduced from 16.73p to 9.2p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims. J. Hepworth, C. H. Pearce, Saatchi and Saatchi, Salenuard Industrial Investments, Francis Sumner.

Finals. Aerofine Metal Products, Davies and Newman, First Castle Electronics, French Kier, Highcroft Investment Trust, Hosking and Horton, Marks and Spencer, Northern Goldsmiths, Roberts Adlard, Silentnight, Tarmac.

FUTURE DATES

Interims:

AE	May 10
NSS Newsagents	May 16
Richards	May 8

Finals:

Allied Irish Banks	May 23
Allslund	May 3
Causton (Sir Joseph)	May 4
Finlan (John)	May 3
Hunting Assoc Industries	May 2
London United Investments	May 8
Mowlem (John)	May 4
Porter Chadburn	May 10

UK COMPANY NEWS

Improved efficiency gives Kwik-Fit £4m: expansion planned

FURTHER GROWTH has been shown by Kwik-Fit (Tyres and Exhausts) Holdings in the second half, and for the year ended February 29 1984 its pre-tax profit expanded from £2.68m to £4.15m. The dividend is lifted from the equivalent of 1.364p to 1.5685p, with a final of 0.7843p net.

At the year end the group was operating from 264 specialist automotive repair centres. A further four depots have been opened during March and April, and another 17 are under development.

Sales in the year expanded by 27 per cent, from £43.32m to £55.29m. Investment income was up to £1.47m (£962,000) but interest and similar charges were also higher at £1.63m (£987,000). Tax takes £861,000 (£686,000) and minorities £7,000 (nil), to leave the attributable profit at £3.28m (£2.02m), equal to 5.12p (3.65p) per 10p share.

Kwik-Fit Euro strengthened its share of the tyre and exhaust market, which remained intensely competitive. The investment therein made over the years ensures the group is "strongly placed" to build on its established market leadership.

The new tyre regulations created substantial increases in sales during September to December, although that was balanced by lower than expected performance in January and February following the earlier sales surge and as a result of adverse weather.

A further five Stop 'n' Steer depots came into operation. These specialise in fitting and repairs of brakes, steering and suspension parts. The joint venture with Aamco Transmissions opened its second outlet in London in November, and the results from the two locations are "most encouraging." Experience during the year underlines the directors' confidence that there is a demand for those specialised services.

In Holland and France the group is operating from 23 repair centres. Three new depots were opened in the Paris area; in Holland 17 depots were operating at the year end. The Dutch wholesale subsidiary has expanded its product range and now offers a comprehensive package including exhausts, tyres, batteries and shock absorbers.

Mr Alec Stenson has decided to resign as chairman (he has held that position since 1975) but will remain on the board in a non-executive capacity. Mr Tom Farmer, the chief executive, has become chairman.

At a Press conference later, Mr Farmer spoke of the group's expansion plans and its intention to enter new markets. "More and more of the car repair business will fall into the hands of the specialist," he said.

The group was planning to raise £11m by selling a portfolio of investment properties and intended to plough the money back into expanding the business. This year it was hoped to increase the group by 30 outlets, but over the next few years it was intended to get up to 400 Kwik-Fit depots, 100 of the Stop 'n' Steer depots, and a network of around 50 Aamco transmission and gearbox replacement centres.

Mr Farmer said he was looking at the possibility of engine replacement centres, while he had just tied up a deal to break into the radiator market worth around £80m a year.

On the current year's trading he disclosed that sales of exhausts in the first two months had not seen the same kind of growth as a year ago, although there were signs of improvement in the last couple of weeks.

He said the 1983-84 spurt in profits stemmed from improved efficiency and, while another 30 outlets had been added, growth had come entirely from the existing business.

● comment

Healthy though these figures are, it is a sobering thought that pre-tax profits are only 3 per cent better than 1981—a year which Kwik-Fit started with less than half the outlets it has now. The late 1970s, of course, were the boom years for tyres and exhausts, and competition is now a lot stiffer. But Kwik-Fit has gone on expanding doggedly just the same, one result being net debt of £15m against shareholders' funds of only £22m. To tackle this, the group now proposes to sell off its investment properties, to a claimed value of £11m. Many of these properties came with the Crest acquisition, which contributed £390,000 last year at the pretax level. Indeed, Kwik-Fit might now be of interest to a predator as a property play, given a portfolio worth £39m in total against a market capitalisation of £31m. On the trading front, this year has got off to a slow start, in exhausts particularly. But if pretax were to reach—at a rough guess—£5m, the shares (up 3p at 47p) would be on an undemanding prospective multiple of 8, assuming a 25 per cent tax charge.

Grovebell rises sharply and resumes dividends

SHARPLY IMPROVED results were achieved by the Grovebell Group over the 12 months ended November 30, 1983 and the directors have decided to resume ordinary dividend payments after a lapse of four and a half years.

At the pre-tax level profits for the year rose from £451,538 to £799,780 and figures for the first four months of 1984 also showed an improvement.

In view of the "greatly improved" results the directors are recommending a dividend of 0.25p on the 5p ordinary shares—the last payment was 0.5p in 1979.

Over the past year the arrears of dividends on the group's 9 per cent cumulative preference shares were paid together with accruing dividends as they became due. These dividends, paid and accrued, absorbed £41,349.

Turnover for 1983 totalled £24.93m (£17.47m) — Grovebell is a holding and investment company with interests in garages which hold vehicle franchises.

Tax accounted for £233,839 (£18,768) to leave net profits at £566,941, compared with £432,770. Basic earnings came through at 1.78p (1.63p).

Mr M. D. Vanner, who resigned as a non-executive director last May, has been reappointed an executive director, taking up the post of joint managing director of the group.

MINING NEWS

S. African mines now face tough black wage talks

SOUTH AFRICA's white mineworkers have adopted a fairly relaxed approach to this year's wage negotiations but indications are that the far more numerous black miners could be tough negotiators, especially after having failed to secure their expectations last year, **reports our Johannesburg correspondent.**

The Council of Mining Unions (CMU), representing 22,426 white employees in eight different unions, has settled with the Chamber of Mines on a 10 per cent across-the-board basic wage increase. The settlement was accompanied by little or no haggling.

Included in the white miners' agreement with the Chamber are minor modifications to sick leave conditions and a small improvement to the service increment scheme for long term employees. The agreement is effective from today and lasts for a year. It covers employees of the gold and coal mines which are members of the Chamber.

Wage negotiations between the Chamber and the all-black National Union of Mineworkers (NUM) are due to start within the next few days. The union represents more than 50,000 black mineworkers and the wage deal which it reaches with the Chamber will affect the entire 450,000-strong black workforce of the mining industry.

The NUM gained recognition from the Chamber late in last year's negotiating session and its participation was thus more token than effective. This year, however, the NUM is determined to play an effective part in the bargaining process.

It will go for wage increases that will narrow the gap between black and white pay scales. The NUM will also be looking for a firm commitment from the Chamber on the elimination of racially-based job reservation regulations.

Desultory discussions on the removal of this colour bar have been taking place for two years between the Chamber and the white unions, the latter being opposed to the change.

Meanwhile, the South African Department of Mineral and Energy Affairs says in a report to parliament that the mining industry's earnings rose 11.8 per cent to a record R16.17bn (£9.24bn) last year. They were helped by a higher average gold price of $423 per ounce ($375 in 1982) and a fall in the value of the rand against the dollar.

Exports accounted for 84.8 per cent of the mineral earnings. Gold sales provided 63 per cent of earnings and 72 per cent of export revenue.

But there was a price for this. Although the South African mines maintain high safety standards, a total of 831 workers died in mining accidents, including 604 killed at the gold mines and 129 in coal mines. In Natal Province the Holbane Colliery explosion claimed the lives of 68 miners. A total of 729 miners were killed in mining industry accidents in 1982.

MINING NEWS IN BRIEF

THE GRADUAL improvement in the fortunes of the Western Australian gold producer **North Kalgurli Mines** continues with the news that the company has made a small profit in the latest quarter of A$27,000 (£18,000). This reduced the loss for the first nine months of the year to A$38,000, compared with a deficit of A$1.06m in the whole of the previous year.

North Kalgurli, which is controlled by **Metals Exploration**, also announced the commissioning of an oxide circuit at its treatment plant. This circuit can treat 900 tonnes of surface oxidised ore a day, bringing the total treatment capacity to 1,600 tonnes a day.

* * *

Canada's **Pine Point Mines**, part of the **Canadian Pacific Enterprises** group through the controlling shareholding held by **Cominco**, made net profits of C$2.4m (£1.3m) in the first quarter of this year, down slightly on the C$2.9m for the final quarter of 1983 but a considerable improvement on the C$3.9m loss for the first quarter of last year.

Pine Point produces lead and zinc at Great Slave Lake in the Northwest Territories.

* * *

Net profits of **Freeport-McMoRan** of the U.S. in the first quarter of 1984 were US$22.07m (£15.8m), slightly above the $21.11m in the opening three months of last year but below the $22.7m for the fourth quarter.

Mr Benno C. Schmidt, chairman and chief executive, said the results reflected the continued strengthening in the group's agricultural minerals business, higher energy income and reduced interest charges, which more than offset a decline in earnings from metals caused by lower copper and gold prices.

* * *

Small improvements in production and prices enabled **Acoje Mining** of the Philippines, which produces metallurgical chromite, to reduce its net loss for 1983 to Pesos 25.4m (£1.28m), compared with a deficit of Pesos 48.1m in 1982.

Production of chrome concentrates improved 4 per cent to 100,461 tonnes, the highest level in the past 10 years, while average prices rose to US$68.45 per tonne compared with $66.10, helped by two devaluations of the peso.

* * *

Philippine Associated Smelting and Refining Corporation (Pasar) has received a commitment for advance payments totalling US$30m (£21.4m) for exports of cathode copper to Japan, according to reports in Manila. The money is to come from **C. Itoh, Marubeni Corporation** and **Sumitomo Corporation**, which between them own 30 per cent of Pasar.

The Philippines Ministry of Trade and Industry has still to finalise the implementation of President Ferdinand Marcos' directive to the effect that exports of copper concentrates must obtain prior clearance from the ministry. The directive is designed to ensure an adequate supply of concentrates for Pasar.

* * *

The latest quarterly report from Australia's **Southern Resources** contains details of a drilling programme started during the period at the Mount Pleasant gold prospect near Kalgoorlie, Western Australia.

The group believes it has identified two wide zones of gold mineralisation in the area tested

BIDS AND DEALS

Hanson £21m U.S. sale and gets bid clearance

BY RAY MAUGHAN

Hanson Trust has sold Seacoast Industries, its first U.S. subsidiary, just as it received official clearance to bid for U.S. Industries, its largest American target.

Hanson Industries, the U.S. holding company will receive about £21m in aggregate from the sales of Seacoast's operating assets to Zapata Corporation of Houston, Texas, from the eventual sale of properties which are being retained for the time being and from the cash disposal of its interest in the Old Salt Seafood company.

Talks with Zapata have been under way for some time and Hanson believes that the economies to be achieved by the combination of Seacoast and Zapata Haynie "will more effectively enable these two companies to meet the intense competition in the world soyabean commodity markets."

Hanson reported that its fishing interests achieved sales of £32.9m in the year to September 30 1983 which produced pre-tax profits of £1.2m. Sir Gordon White, chairman of Hanson Industries, added that the disposal means that "Hanson will be able to concentrate on new opportunities in less cyclical industries."

The chief area of expansion in the U.S., of course, is the $531m tender offer for U.S. Industries, the American conglomerate which, in most regards, is a mirror image of Hanson's operations on both sides of the Atlantic. Sir Gordon revealed yesterday that three U.S. banks have agreed to provide secured loans in connection with the $23 per share bid. Hanson has also fulfilled the two conditions required to undertake the deal.

Shareholders have given their approval to the offer and the Federal Trade Commission cleared Hanson's approach now that the waiting period under the Hart-Scott-Rodino Anti-Trust Improvements Act has elapsed. The tender is, however, competing with a $24 per share offer from U.S. Industries' management.

Morgan Crucible £7m expansion

Morgan Crucible the UK-based materials technology group, has acquired Thermal Ceramics Industries of the U.S. for $10m (£7.2m). The purchase is to be paid for by a share placing.

Thermal Ceramics (TCI), based in Colorado and Illinois, specialises in making crucibles for dental and assay ware. It claims a 75 per cent market share in North and South America. It also manufactures specialised products in vermiculite, a material for which growing demand is expected in the U.S. aluminium industry.

TCI's net tangible assets are stated at around $7.6m. Turnover in the year to end-November 1983 was $6.4m and pre-tax profits were $1.4m.

The company will become a part of Morgan Crucible's thermic division, and will give the division a manufacturing base in the U.S. for the first time. In addition, its distribution network is intended to give Morgan the opportunity to push a wide variety of its own products into the U.S., as well as adding to the group's range of thermic products.

Before the acquisition, around 20 per cent of Morgan's turnover was in the U.S. The group had previously stated its intention of expanding its U.S. interests, in the field of ceramics particularly.

The share issue—to be placed through merchant bank Schroder Wagg and stockbrokers Cazenove—involves the creation of 4,773,361 new ordinary shares, which will not be eligible for the final dividend due for payment in July. The issue increases Morgan's share base by just under 10 per cent.

Morgan's shares closed 4p lower yesterday at 158p.

Imperial in £3.3m snuff deal

BY WILLIAM DAWKINS

Imperial Tobacco, Britain's largest tobacco company and part of the diversified Imperial Group, is expanding in the snuff trade.

It has paid about £3.3m for the snuff businesses of Conwood SA, Illingworth's of Kendal, Cumbria and Wittmann Gmbh of Konstanz, West Germany. They are being sold by Cavenham AG, a Swiss-based company within Sir James Goldsmith's General Occidentale group, which has recently decided to concentrate its manufacturing operations outside Europe.

Imperial already owns J. & H. Wilson, a snuff maker which gives it a 46 per cent share of the UK snuff market worth about £3.8m. UK snuff sales are currently stable at some 115,000 kg annually.

Illingworth's accounts for a further 10 per cent of the UK market, although most of its production is exported. Wittmann has a 20 per cent share of the West German market and considerable overseas trade.

Overseas snuff markets, in which J. & H. Wilson has not ben strongly represented in the past, have potential for expansion, particularly in the U.S. and West Germany, said Imperial. It said that yesterday's acquisitions will increase the opportunities for more snuff exports from the UK.

Holding in Richardsons changes hands

BY CHARLES BATCHELOR

A 10 per cent holding in Richardsons Westgarth, loss-making engineer and steel-stockholder, has been sold to an investor sympathetic to the company's board. This represents the bulk of the 14.9 per cent stake sold over the past month by Sir Benjamin Slade, the non-executive director who resigned over the weekend.

Sir Benjamin, chairman of Shirlstar Container Transport, container leasing group, said he disagreed with other members of the board over future policy and he had been concerned that past mistakes would be repeated.

Sir Benjamin joined the Richardsons board last August after Shirlstar acquired most of the 19 per cent holding in the company formerly held by Caparo Industries. Another Shirlstar director was also appointed to the Richardsons management but left last December.

"We tried to bring a sensa of realism into their ridiculous overheads," Sir Benjamin said yesterday. "We put forward a plan for cutting out the loss-making parts of the company more quickly than they have done."

Mr Tony Hepper, Richardsons chairman said: "We are in the process of restructuring, going back to a core of profit-making companies. We bove disposed of most of the loss-makers hut still have two problem areas, R. W. Transmissions and E. Gerald, the steel-stockholding company. We are running down Transmissions and seeking a huyer for Gerald."

Richardson's shares fell ½p yesterday to 28½p.

BIDS AND DEALS IN BRIEF

The Stock Exchange yesterday temporarily suspended trading in tho shares of Glanfield Lawrence, the vehicla distributor and engineer, at tha company's own request pending publication of details of a reorganisation plan. The share prico at suspension was 54½p.

* * *

The New Central Group of Watford, a private property development and investment group, has purchased for cash the Deanside Hotel Group. Prior to the acquisition, New Central's gross assets were valued at in excess of £5m.

* * *

The Bank of Ireland's offer for Irish Civil Service Building Society has been accepted in respect of 171,864 investment shares which, together with the 77,848 investment shares already held by the bank represents 81.9 per cent of the investment shares.

* * *

Evered has announced that the increased offers in respect of the nrdinary share capital of Brockhouse have become unconditional. Acceptances have been recaived in respect of 10.3m Brockhouse ordinary shares (59.6 per cent). Of the acceptances received only 23.6 per cent have olected to receive tha new cash alternative. At March 12, persons acting in concert with Evered owned 1.9m Brockhouse ordinary shares (11.06 per cent).

Since thet date Evered has acquired 880,000 Brockhouse shares (4.8 per cent). The increased offers remain open for acceptance until further notice. The new cash alternative will not be available to Brockhouse shareholders after May 1.

* * *

Johnson Group Cleaners has purchased Three G Corporation and Lighthouse Road Dry Cleaning Inc, of Beaufort, South Carolina, for U.S.$1.75m (£1.25m) cash.

* * *

Manganese Bronze Holdings has aompleted the acquisition of Mann and Overton following shareholders' approval.

* * *

A CONDITIONAL agreement has been reached for the acquisition by Amstrad of Lyons-Turner Entarprises, the parent company of Europa Electronics an electrical distributor. It is expecied that the acquisition will be completed before the end of May. Total consideration for the purchase is to be satisfied by the issue of 250,000 ordinary Amstrad shares.

* * *

Following the passing of the necessary resolution at an egm of Tops Estates held on April 30, the merger between the company's wholly-owned subsidiary, The Imperial Hotel, Hull, and Shinetip has now been completed.

* * *

Britannia Arrow Holdings has announced that at the egm on April 30 resolutions to approve the acquisition of a controlling interest in Singer & Friedlander and the placing of £30m nominal of 9 per cent convertible unsecured loan stock 1995-2000 at par were passed.

Completion of the acquisition took place on the same date.

* * *

In the offer document for Donald Macpherson from Yule Catto it was stated that acceptances of the offers and elections for the cash alternative should be received not later than May 15.

Notice is now given that if offers then become or are declared unconditional the casb alternative will not be open for acceptances thereafter. If offers are not then unconditional and are extended, the right is reserved (at Yule's discretion) to extend the cash alternative. If so, at least 14 days notice will be given before it is closed. If it is not so extended it will close on May 15.

* * *

Coleman Milne is proposing to issue and exchange 1.4m of its own ordinary shares, credited as fully paid, for 700,000 ordinary of Henlys on tha basis of two Coleman for eyerv one Henlvs. The Coleman shares are to be valued at 60p par share. Permission to deal in the 1.4m Coleman shares in the USM has been granted. Following the transaction Coleman will hold 3.5m Henlys ordinary (24.99 per cent).

* * *

Charterhouse Jophet has announced that acceptances of the offars on behalf of Petrocon to acquire the capital of Drilling Tools have been received in respect of 147,014 existing ordinary shares of Drilling Tools. Acceptances of the offers amount to 212,514 shares (96.46 per cenl).

Acceptances inclnde 28,844 Drilling Tools shares for whicb elections bave been received to accept the share alternative. As a respect of tha level of acceptances for the cash consideration, elections for the share alternativa will be given full effect. This wil result in lhe issue of 252,385 new Petrocon ordinary shares.

BASE LENDING RATES

A.B.N. Bank	8½%	Heritable & Gen. Trust	8½%
Allied Irish Bank	8½%	■ Hill Samuel §	8½%
Amro Bank	8½%	C. Hoare & Co. †	8½%
Henry Ansbacher	8½%	Hongkong & Shanghai	8½%
Armco Trust Ltd.	8½%	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	8½%	Lloyds Bank	8½%
Bank Hapoalim BM	8½%	Mallinhall Limited	8½%
BCCI	8½%	Edward Manson & Co.	9½%
Bank of Ireland	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Barclays Bank	8½%	National Westminster	8½%
Beneficial Trust Ltd.	9½%	Norwich Gen. Tst.	8½%
Bremor Holdings Ltd.	8½%	People's Tst. & Sv. Ltd.	9½%
Brit. Bank of Mid. East	8½%	R. Raphael & Sons	8½%
■ Brown Shipley	8½%	P. S. Refson & Co.	8½%
CL Bank Nederland	8½%	Roxburghe Guarantee	9½%
Canada Perm't Trust	8½%	Royal Trust Co. Canada	8½%
Castle Court Trust Ltd.	9 %	■ J. Henry Schroder Wagg	8½%
Cayzer Ltd.	8½%	Standard Chartered ‖	8½%
Cedar Holdings	9 %	Trade Dev. Bank	8½%
■ Charterhouse Japhet	8½%	TCB	8½%
Choulartons	10½%	Trustee Savings Bank	8½%
Citibank Savings ¶	9½%	United Bank of Kuwait	8½%
Clydesdale Bank	8½%	United Mizrahi Bank	8½%
C. E. Coates	9½%	Volkskas Limited	8½%
Comm. Bk. of N. East	8½%	Westpac Banking Corp	8½%
Consolidated Credits	8½%	Whiteaway Laidlaw	9 %
Co-operative Bank *	8½%	Williams & Glyn's	8½%
The Cyprus Popular Bk.	8½%	Wintrust Secs. Ltd.	9 %
Dunbar & Co. Ltd.	8½%	Yorkshire Bank	8½%
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		
■ Hambros Bank	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¾%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¾%.
¶ Mortgage base rate.

Morgan Grenfell in £50m Target deal

By Eric Short

MERCHANT BANKER Morgan Grenfell is expected to announce tomorrow its entry into the retail financial services market by heading a consortium to buy Target Trust Holdings in a deal worth around £50m.

Charterhouse J. Rothschild (CJR) at present owns 60 per cent of Target, with the remaining 40 per cent held by the Reliance Corporation of New York.

The proposed merger between CJR and Hambro Life, announced three weeks ago, has made Target somewhat superfluous to the new group, even though it has shown phenomenal growth in both unit trust and linked life business over the past three years. Mr Jacob Rothschild, chairman of CJR, said at the time of the announcement that Target would be floated off as an independent company as soon as possible.

This has given Morgan Grenfell the opportunity to enter a market that hitherto it has kept out, unlike other major merchant banking groups which have thriving retail financial service operations.

However, Morgan Grenfell at present only wants a toehold in the retail side and it does not want to dilute its management skills in the highly successful wholesale operations.

So the shares of Target are to be placed privately among institutional investors, with the present management of Target, headed by Mr John Stone, holding around 10 per cent of the equity. A full Stock Exchange quotation is likely to be sought in 1987. Reliance has agreed to dispose of its stake at the same time as CJR.

Target made a profit of just over £1m in the nine months to end-December 1983, mostly from unit trust sales which soared from £19m to £68m.

This marketing success has been accompanied by a strong investment performance of the underlying funds, which are at present managed by J. Rothschild Investment Management. The unresolved question is whether the investment managers will continue after Target has been sold off, whether Morgan Grenfell will take over the investment management, or whether it will go to a third party.

This Prospectus includes information given in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information to the public with regard to the Republic of Trinidad and Tobago (the "Republic") and the Stock. The Republic has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other facts the omission of which would make misleading any statement herein, whether of fact or of opinion. The Republic accepts responsibility accordingly.

Dated 1 May, 1984

Application has been made to the Council of The Stock Exchange for the £50,000,000 Loan Stock 2009 (the "Stock") to be admitted to the Official List for quotation in the Gilt-edged market.

The Stock will be available either in registered form, transferable in amounts and multiples of one penny, or, at the option of the holder, in bearer form, represented by bearer bonds which will be available in the denomination of £5,000. Stock in registered form may be exchanged for bearer bonds and *vice versa* at any time after 3 September, 1984. Renounceable allotment letters (partly paid) in respect of the Stock will be despatched on 9 May, 1984. Certificates in respect of the Stock in registered form and bearer bonds in respect of Stock in bearer form will be available on 3 September, 1984, provided that the balance of the moneys payable has been duly paid.

THE APPLICATION LIST WILL OPEN AT 10.00 A.M. ON THURSDAY, 3 MAY, 1984 AND WILL CLOSE LATER THE SAME DAY.

The Republic of Trinidad and Tobago

Issue on a yield basis of

£50,000,000 Loan Stock 2009

Redeemable at Stockholders' option in 1989, 1994, 1999 and 2004

payable as to £30 per cent. of the nominal amount on application
and as to the balance of the issue price not later than 7 August, 1984
with interest payable half yearly on 23 May and 23 November

The Issue has been underwritten by

Morgan Grenfell & Co. Limited	**J. Henry Schroder Wagg & Co. Limited**
Barclays Bank Group	**Baring Brothers & Co. Limited**
County Bank Limited	**Kleinwort, Benson Limited**
Samuel Montagu & Co. Limited	**S. G. Warburg & Co. Ltd.**

Receiving Bank
National Westminster Bank PLC
New Issues Department
P.O. Box No. 79
2 Princes Street
London EC2P 2BD

Registrar and Transfer Office
National Westminster Bank PLC
Registrar's Department
P.O. Box No. 82
37 Broad Street
Bristol BS99 7NH

Principal Paying Agent and Exchange Agent
National Westminster Bank PLC
Stock Office Services
20 Old Broad Street
London EC2N 1EJ

Paying Agents
Morgan Guaranty Trust Company of New York
35 Avenue des Arts
B-1040 Brussels
Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal
P.O. Box 1108
Luxembourg

Legal Advisers to the Republic
The Attorney General
Attorney General's Chambers
Red House
Port of Spain
Trinidad
Herbert Smith & Co.
Watling House
35-37 Cannon Street
London EC4M 5SD

Legal Advisers to the Underwriters
Slaughter and May
35 Basinghall Street
London EC2V 5DB
Pollonais & Blanc
62 Sackville Street
Port of Spain
Trinidad

Brokers
Hoare Govett Limited
319-325 High Holborn
London WC1V 7PB
and
The Stock Exchange
W. Greenwell & Co.
Bow Bells House
Bread Street
London EC4M 9EL
and
The Stock Exchange

PROCEDURE FOR APPLICATION

Each application must be made in the form of the application form provided herewith and must be lodged with National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, London EC2P 2BD not later than 10.00 a.m. on Thursday, 3 May, 1984 and must comply with the provisions of "Terms of Payment in respect of Applications" below.

Applications for Stock must be for a minimum of £100 nominal amount of Stock and thereafter for the following multiples of Stock:

Amount of Stock applied for	Multiple
£100—£2,000	£100
£2,000—£20,000	£500
£20,000—£100,000	£1,000
£100,000 or greater	£25,000

Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Republic, reserve the right to reject any application and to accept any application in part only. If any application is not accepted, the amount paid on application will be returned by post at the risk of the person submitting the application and, if any application is accepted for a smaller amount of Stock than that applied for, the balance of the amount paid on application will be so returned, in each case without interest, and in the meantime all such amounts will be held in a separate account.

Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Republic, will announce the basis of allotment by 9.30 a.m. on Friday, 4 May, 1984. It is expected that confirmation of allotments will be despatched on that day. Acceptances of applications for Stock will be conditional (*inter alia*) upon the Council of The Stock Exchange admitting the Stock to the Official List on or before Wednesday, 9 May, 1984. Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Underwriters, have the right in certain circumstances to terminate the underwriting agreement, which is subject to certain conditions and accordingly, if such rights are exercised or the underwriting does not become unconditional, no applications for Stock will be accepted or, as the case may be, acceptances of applications for Stock will become void (see "General Information — Underwriting Arrangements" below).

TERMS OF PAYMENT IN RESPECT OF APPLICATIONS

Each application, unless made by a recognised Bank or Stockbroker taking advantage of the alternative method of payment described below, must be accompanied by a cheque made payable to "National Westminster Bank PLC" and crossed "Trinidad and Tobago Loan" representing payment at the rate of £30 per cent. of the nominal amount of Stock applied for. Such cheques must be drawn on a branch in the United Kingdom or the Channel Islands of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses.

The alternative method of payment is available only to recognised Banks or Stockbrokers who irrevocably engage in the application forms lodged by them to pay National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, London EC2P 2BD for credit to the account designated "Trinidad and Tobago Loan" by 10.00 a.m. on Wednesday, 9 May, 1984 the amount in Town Clearing Funds representing payment at the rate of £30 per cent. of the nominal amount of the Stock in respect of which their applications shall have been accepted.

Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Republic, reserve the right to instruct National Westminster Bank PLC to retain the relevant allotment letters and to delay the return of surplus application moneys (if any) pending clearance of applicants' remittances.

The balance of the amount payable on any Stock allotted must be paid on or before 7 August, 1984. Such balance may be paid in advance of its due date, but no discount will be allowed or interest paid on such balance for any period prior to 7 August, 1984. Failure to pay such balance when due will render all amounts previously paid liable to forfeiture and the allotment liable to cancellation. Interest at the rate of two per cent. above the Base Rate of National Westminster Bank PLC may be charged on such balance if accepted after its due date. The Republic further reserves the right, in default of payment of such balance, to sell any such Stock fully paid for its own account.

The expression "recognised Bank or Stockbroker" shall mean any organisation which is a recognised bank for the purposes of the Banking Act 1979 and any firm of Stockbrokers which is a member of The Stock Exchange and such other banks or brokers as Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Republic, shall in their absolute discretion think fit for the purposes of the Issue.

The expression "Town Clearing Funds" shall mean a cheque or banker's payment for £10,000 or more drawn on a Town Clearing Branch of a bank in the City of London.

DELIVERY

Renounceable allotment letters (partly paid) in respect of Stock allotted will be despatched on Wednesday, 9 May, 1984 by first class post to, and at the risk of, the person submitting the application in accordance with the instructions stated on the application form.

Allotment letters may be split up to 3.00 p.m. on 3 August, 1984 in accordance with the instructions contained therein into denominations or multiples of £100 nominal amount of Stock.

Unless a duly renounced allotment letter with the registration application form and/or the form of application for Stock in bearer form duly completed is received by National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, London EC2P 2BD on or before 7 August, 1984, the Stock represented by such allotment letter will, provided it is fully paid, be registered in the name of the original allottee and thereafter Stock in registered form will be transferable only by instrument of transfer.

Allotment letters will provide for Stockholders to elect to take delivery of Stock in bearer rather than registered form. Stock in bearer form will be represented by bearer bonds which will be available in the denomination of £5,000.

Each Stockholder who elects in the allotment letter to receive bearer bonds may elect to receive them in one of the three following ways:

(a) by collection from the offices of National Westminster Bank PLC, Stock Office Services, 20 Old Broad Street, London EC2N 1EJ; or

(b) by post at the risk of the applicant. National Westminster Bank PLC will insure any package destined for an address in the United Kingdom provided a cheque is enclosed with the allotment letter made out for 50p per £1,000 nominal amount of bearer bonds to be sent (minimum payment £3). Insurance rates for other countries will be quoted on request; or

(c) by delivery to an existing account with the Euro-clear System or CEDEL S.A.

Bearer bonds are expected to be available for delivery on and after 3 September, 1984.

Stock Certificates in respect of Stock in registered form will be despatched to the registered holders (in the case of joint holders to the first named) at their registered addresses, at their risk, by National Westminster Bank PLC on 3 September, 1984. After such date, allotment letters will cease to be valid for any purpose.

No Stock Certificate will be issued and no bearer bond will be made available unless the Stock to be represented thereby is fully paid.

DETERMINATION OF RATE OF INTEREST, ISSUE PRICE AND INITIAL REDEMPTION PRICE

The Stock will have attached such rate of interest and be issued at such price as will result in the Stock having a gross redemption yield determined on the basis described below (the "Issue Yield").

The Issue Yield shall mean the sum of 1.85 per cent. and the gross redemption yield, rounded to three places of decimals (with 0.0005 being rounded upwards), on 13½ per cent. Treasury Stock 2004/2008 at 3 p.m. on Wednesday, 2 May, 1984. Such gross redemption yield will be calculated on the basis set out below.

The rate of interest attaching to the Stock will be determined by Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited and will be an integral multiple of one quarter of one per cent. and will be as high as possible consistent with an issue price as near as possible to, but not greater than par. The issue price will also be determined by Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited and will be expressed as a percentage rounded to three places of decimals (with 0.0005 being rounded upwards).

The Initial Redemption Price (being the price at which Stockholders can require Stock to be redeemed on 23 May, 1989) will be the price determined by Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited such as would cause the Stock to have a gross redemption yield (calculated for a redemption date of 23 May, 1989) equal to the sum of 1.40 per cent. and the gross redemption yield, rounded to three places of decimals (with 0.0005 being rounded upwards), on 10 per cent. Exchequer Stock 1989 at 3 p.m. on Wednesday, 2 May, 1984. Such gross redemption yield will be calculated on the basis set out below.

It is intended that notice of the Issue Yield, rate of interest, issue price and Initial Redemption Price will be published in the *Financial Times* on Thursday, 3 May, 1984.

Each gross redemption yield will be expressed as a percentage and calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, Page 18. For this purpose, the price cum dividend of such Treasury Stock or Exchequer Stock will be the price determined by Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited to be the arithmetic mean of the respective bid and offered prices quoted on a dealing basis for the settlement on the following business day by three jobbers in the Gilt-edged market.

PARTICULARS OF THE STOCK

The issue of the £50,000,000 Loan Stock 2009 (the "Stock") of the Republic was authorised by the Minister of Finance and Planning of the Republic on behalf of the Republic acting under the External Loans Act of the Republic and will be constituted by a Deed Poll to be entered into by the Republic. The following includes a summary of, and is subject to, certain detailed provisions of the Deed Poll, copies of which will be available for inspection at the offices of the Registrar and Paying Agents referred to below.

Status

The Stock will be a direct, unconditional and general obligation of the Republic and the full faith and credit of the Republic will be pledged for the due and punctual payment of the principal of and interest on the Stock and for the due and timely performance of all obligations of the Republic with respect thereto. Subject to "Negative Pledge" below, the Stock will rank *pari passu* with all other unsecured Indebtedness of the Republic from time to time outstanding. "Indebtedness" means all indebtedness of the Republic in respect of moneys borrowed by the Republic and guarantees given by the Republic in respect of moneys borrowed.

Negative Pledge

The Republic will not create any mortgage, pledge or other encumbrance upon the whole or any part of its present or future revenues or assets to secure any External Indebtedness without securing the outstanding Stock *pari passu* therewith and the instrument creating any such mortgage, pledge or other encumbrance shall expressly provide therefor. "External Indebtedness" means Indebtedness which is expressed or denominated in a currency or currencies other than Trinidad and Tobago dollars ("TT dollars" or "TT$") or which is, at the opinion of the person entitled thereto, payable in a currency or currencies other than TT dollars or which is payable at a rate or in an amount determined by reference to a currency or currencies other than TT dollars.

Interest

The Stock will bear interest from 9 May, 1984 at a rate per annum to be determined in accordance with "Determination of Rate of Interest, Issue Price and Initial Redemption Price" above. Interest will be payable (less, where applicable, United Kingdom income tax) by equal half yearly instalments on 23 May (or, in 2009, 22 May) and 23 November (the "Interest Payment Dates") in each year except that the first payment of interest in respect of the period from 9 May, 1984 to 23 November, 1984 will be made on 23 November, 1984 and will be calculated using the following formula:

$$£I = \left(\frac{90}{365} \times \frac{30}{P} \times R\right) + \left(\frac{108}{365} \times R\right)$$

where £I is the first payment of interest on £100 nominal amount of Stock,
R is the percentage rate of interest attaching to the Stock, and
P is the issue price.

Interest will cease to accrue on the Stock on the due date for redemption thereof unless payment of principal is improperly withheld or refused.

Form

The Stock will be available either in registered form ("Registered Stock") or, at the option of the person entitled thereto, in bearer form ("Bearer Stock"). On or after 3 September, 1984 and subject as provided below, Registered Stock may be exchanged in nominal amounts of £5,000 or integral multiples thereof for Stock in bearer form and Bearer Stock may be exchanged for Registered Stock. Bearer Stock will be represented by bearer bonds which will be available in the denomination of £5,000 each (the "Bearer Bonds") and on issue an interest coupon (a "Coupon") will be attached to each Bearer Bond in respect of each Interest Payment Date following the date of issue of such Bearer Bond, provided that, in the case of a Bearer Bond issued pursuant to an application received between the day following a Record Date (as defined below) and the immediately succeeding Interest Payment Date (inclusive), no Coupon will be attached in respect of that immediately succeeding Interest Payment Date.

Applications for Bearer Stock made before the issue of definitive documents of title must be made on or before 7 August, 1984 in accordance with the instructions contained in the allotment letter which will be despatched to persons to whom Stock is allotted (see "Delivery" above). On or after the issue of definitive documents of title, applications for exchange must be made on the forms available at the specified offices of each of the Registrar, the Exchange Agent, the Principal Paying Agent and the other Paying Agents referred to below and must be made by the registered holders of Registered Stock or the holders of Bearer Bonds, as the case may be, lodging such forms duly completed at the specified office of the Exchange Agent. If any such application is lodged on or before 7 November, 1984, no charge will be made in respect of such exchange; after 7 November, 1984, such exchange will only be made on payment of such costs and expenses as may be incurred in connection therewith.

An application to exchange Registered Stock for Bearer Bond(s) shall have attached thereto the Stock Certificate(s) to which such application relates and an application to exchange Bearer Bond(s) for Registered Stock shall have attached thereto the Bearer Bond(s) to which such application relates together with all unmatured Coupons appertaining thereto. Failing presentation of all unmatured Coupons appertaining to any Bearer Bond, no exchange will be made in respect thereof. In the case of an application received during the period commencing on the day following a Record Date and expiring on the day before the next Interest Payment Date, a Coupon falling due for payment on such Interest Payment Date shall, for the purposes of this paragraph, be deemed to have matured. If the Stock Certificate attached to an application for the exchange of Registered Stock for Bearer Bonds relates to a greater nominal amount of Stock than that in respect of which application for exchange is made or relates to a nominal amount of Stock which is not an integral multiple of £5,000, the balance of such Stock will remain in registered form and a new Stock Certificate will be issued to the holder in respect thereof. All applications for the exchange of Registered Stock for Bearer Bonds and *vice versa* will be irrevocable. An application shall be deemed to be made on receipt by the Exchange Agent of a duly completed exchange form.

The initial Exchange Agent is National Westminster Bank PLC and its specified office is at Stock Office Services, 20 Old Broad Street, London EC2N 1EJ or such other place or places in the City of London as may from time to time be notified to Stockholders in accordance with "Notices" below. The Republic reserves the right to terminate the appointment of the Exchange Agent, provided that no such termination shall take effect until a new Exchange Agent having a specified office in the City of London has been appointed and notice of his appointment has been given to Stockholders in accordance with "Notices" below.

Bearer Bonds issued in exchange for Registered Stock and Stock Certificates in respect of Registered Stock issued in exchange for Bearer Bonds will be available for delivery at the specified office of the Exchange Agent or will be despatched, in accordance with the instructions contained in the application, in each case within three business days of receipt of the relevant application duly completed.

Transfer

The Registrar and Transfer Office for the Registered Stock will be at the specified office of the Registrar. The initial Registrar is National Westminster Bank PLC and its specified office is at Registrar's Department, P.O. Box 82, 37 Broad Street, Bristol BS99 7NH or such other place or places in England as may from time to time be notified to Stockholders in accordance with "Notices" below. The Republic reserves the right to terminate the appointment of the Registrar, provided that no such termination will take effect until a new Registrar having a specified office in England has been appointed and notice of his appointment has been given to Stockholders in accordance with "Notices" below.

Registered Stock will be transferable in amounts and multiples of one penny by an instrument in writing as if the Stock were a security to which Section 1 of the Stock Transfer Act 1963 of Great Britain applied. The Bearer Bonds will be transferable by delivery.

Redemption

(a) *Mandatory Redemption*
The Republic will redeem the Stock (unless previously redeemed or purchased and cancelled) at par on 22 May, 2009.

(b) *Stockholders' Optional Redemption*
Each Stockholder is entitled, at his option, to require the Republic to redeem all or part of his Stock (provided that Bearer Bonds shall only be redeemed in nominal amounts of £5,000 or integral multiples thereof) at the Initial Redemption Price referred to in "Determination of Rate of Interest, Issue Price and Initial Redemption Price" above (in the case of the first Interest Payment Date hereafter referred to) or at par (in the case of the second and subsequent Interest Payment Dates hereafter referred to) together in each case with accrued interest to the date of such redemption on the Interest Payment Date falling in May in 1989, 1994, 1999 and 2004. To exercise such option, the Stockholder shall complete, sign and deposit at the specified office of the Registrar or any Paying Agent at his own expense during normal business hours of the Registrar or such Paying Agent not less than 45 days nor more than 60 days prior to such Interest Payment Date, a notice of redemption in the form for the time being current ("notice of redemption") obtainable from the Registrar or any Paying Agent, together with the relevant Stock Certificate or Bearer Bonds and, in the case of Bearer Bonds, together with all unmatured Coupons appertaining thereto failing which the Stockholder must pay to the Registrar or the relevant Paying Agent an amount in pounds sterling equal to the face value of each of the missing unmatured Coupon and any amount so paid will be repaid in the manner mentioned in "Payments" below against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time before the expiry of a period of 5 years after the date which would have been the due date for payment of such Coupon if the relevant Bearer Stock had remained outstanding for the period to which the Coupon relates. For the purposes of this paragraph, Coupons due for payment on the Interest Payment Date next following the date of deposit of the relevant Bearer Bond in accordance with the provisions for redemption contained in this paragraph shall be deemed matured. Such notice of redemption shall be irrevocable and shall not be withdrawn without the consent in writing of the Republic. The Republic shall procure that the Registrar, or any Paying Agent with whom a deposit is made of a notice of redemption and a Stock Certificate or Bearer Bond together with unmatured coupons shall issue to the relevant depositor a non-transferable receipt of deposit ("receipt") in which shall be stated (i) the number of such Stock Certificate or the serial number of such Bearer Bond (as the case may be), (ii) in the case of a deposit of a Bearer Bond, the specified office of the Paying Agent at which payment shall be made in accordance with these provisions and (iii) the date of deposit of such Stock Certificate or Bearer Bond (as the case may be). If a Stockholder has exercised his option in accordance with the foregoing provisions of this paragraph, the Republic shall be bound to redeem the relevant Stock on the next following Interest Payment Date in accordance with "Payments" below in the case of Registered Stock, or, in the case of Bearer Stock, upon presentation of the receipt at the specified office of the Paying Agent which issued the receipt or the specified office of the Paying Agent referred to in any receipt issued by the Registrar (in the case of a Bearer Bond deposited with the Registrar) or, in either case, (if the appointment of the relevant Paying Agent shall have terminated) at the specified office of the Principal Paying Agent.

The Registrar or Paying Agent with whom a Stock Certificate or Bearer Bond has been deposited as aforesaid shall be deemed not to be a Stockholder for the purposes of the Stock Certificates, the Bearer Bonds and the Deed Poll.

(c) *Purchases*
The Republic may at any time purchase Stock in the open market at any price or by private agreement at a price (exclusive of accrued interest and expenses) not exceeding 115 per cent. of the middle market quotation of the Stock on The Stock Exchange (or, failing such quotation, on such other stock exchange or securities market on which the Stock is listed for the time being) at the close of business on the last business day before the date of purchase, but not otherwise.

(d) *Cancellation*
Stock so redeemed or purchased shall be cancelled forthwith and will not be available for re-issue. If any Bearer Stock is cancelled without all unmatured Coupons appertaining thereto, the Republic shall make payment in respect of any such missing unmatured Coupon in accordance with paragraph (b) above and "Payments" below as if the relevant Bearer Stock had remained outstanding for the period to which such Coupon relates.

Payments

In the case of Registered Stock, payments of principal and interest will be made in pounds sterling by cheque or warrant, drawn on a Town Clearing Branch of a bank in the City of London, which will be posted, no later than the due date for the relevant payment, at each Stockholder's risk, to persons who are registered as Stockholders at the close of business on the relevant Record Date or to their nominated agents and made payable to such Stockholders. In the case of joint holders in respect of a particular holding, the cheque or warrant (made payable to all such holders) will be sent to the first named on the Register unless instructions to the contrary are given in writing to the Registrar by all such holders. The "Record Date" shall mean (save in respect of the first Interest Payment Date, in respect of which the Record Date will be 24 October, 1984) the thirtieth day before an Interest Payment Date, but should such thirtieth day fall on a day on which the specified office of the Registrar is not open for business, then the Record Date shall mean the first day thereafter on which such specified office is open for business.

In the case of Bearer Stock, payments of principal will only be made against surrender of the Bearer Bonds and, subject as mentioned below, payments of interest will only be made against surrender of Coupons, at the specified office of the Paying Agent in London in pounds sterling or, at the option of the bearer, at the specified office of any other Paying Agent by a cheque in pounds sterling drawn on, or by transfer to an account in pounds sterling maintained by the payee with, a bank in London.

Bearer Bonds should be surrendered for redemption together with all unmatured Coupons, failing which the face value of any missing unmatured Coupon (or, in the case of partial payment in respect of any Bearer Bond being made, the proportion of such face value which the amount of the partial payment bears to the principal amount due in respect of the Bearer Bond) will be deducted from the principal sum due for payment. Any amounts of principal so deducted will be paid in the manner mentioned in the preceding paragraph against surrender of the relevant missing Coupon at any time before the expiry of a period of 10 years after the due date for such redemption, whether or not such Coupon would otherwise have become void pursuant to "Prescription" below.

If the due date for payment of any amount of principal or interest in respect of any Bearer Bond or Coupon is not a day on which banks are open for business in the location of the specified office of the Paying Agent at which the Bearer Bond or Coupon in question is presented for payment and (in the case of payment by transfer to an account maintained by the payee in London as referred to above) on which dealings in pounds sterling may be carried on both in London and in such place, then the holder thereof shall not be entitled to payment of such amount until the next following such day in such place or places or to any interest or other sum in respect of such delay.

If the redemption date for any Bearer Bond is not an Interest Payment Date, interest accrued since (and including) the last preceding Interest Payment Date will be paid only to the holder, against surrender, of the relevant Bearer Bond.

The initial Paying Agents and their specified offices are listed below. The Republic will at all times maintain a Paying Agent in London and in one country in continental Europe. The Stockholders will be notified in accordance with "Notices" below of the replacement of any Paying Agent, any change in the specified office of a Paying Agent and the appointment of any additional Paying Agents.

All payments of principal and interest in respect of the Stock are and will be exempt from any and all restrictions relating to exchange control imposed by the Republic, but will be subject to any fiscal or other laws applicable in England and (where the relevant Bearer Bonds or Coupons are surrendered for payment at the specified office of a Paying Agent outside England) in the jurisdiction where such specified office is located.

Taxation

All payments of principal and interest made by the Republic in respect of the Stock and all other obligations of the Republic as represented by the Stock are and will be exempt from, and will be made without withholding or deduction for or on account of, any present or future taxes, duties, levies, assessments or other charges of whatsoever nature (including estate and succession duties) now or hereafter imposed or levied on the Stock or any holder thereof by or on behalf of the Republic or any political sub-division or taxing authority thereof or therein. The foregoing shall not apply to the imposition of or withholding or deduction for or on account of any such tax, duty, levy, assessment or other charge on a payment of principal or interest in respect of Stock where the holder thereof is liable to such tax, duty, levy, assessment or other charge by reason of having his residence in the Republic or maintaining in the Republic a permanent establishment to which the holding of such Stock is attributable for the purposes of income tax in the Republic.

Events of Default

Each holder of Stock is entitled to declare such Stock due and payable on the occurrence of any of the following events:

(i) if there is default for more than 10 days in the payment of any interest due and payable on or in respect of such Stock; or

(ii) if the Republic shall fail duly to perform or observe any other term, condition or undertaking in the Stock Certificates relating to the Registered Stock or in the Bearer Bonds or of the Deed Poll for a period of 30 days after the date on which written notice of such failure, requiring the Republic to remedy the same, shall first have been given to the Republic at the office of the Registrar by the holder of such Stock; or

(iii) if any External Indebtedness of the Republic shall become prematurely payable or repayable following a default and payment thereof is validly demanded or if steps are taken to enforce any security therefor or if the Republic defaults in the payment or repayment of any of its External Indebtedness on the maturity thereof as extended by any applicable days of grace or any guarantee given by the Republic of any External Indebtedness of others shall not be honoured when due and called or within any period of grace applicable thereto; or

(iv) a moratorium shall be declared on the payment of any External Indebtedness of the Republic or the Republic shall stop or suspend payment of any of its External Indebtedness or shall convene a meeting for the purposes of making, or shall propose or enter into, any arrangement or composition for the benefit of its creditors generally, or any class thereof, in respect of any of its External Indebtedness or shall commence negotiations with its creditors generally, or any class thereof, with a view to a re-adjustment or re-scheduling of any of its External Indebtedness.

In any such event, such holder of Stock may, by written notice to the Republic at the office of the Registrar, effective upon receipt thereof by the Registrar, declare the principal of and all interest then accrued on such Stock to be forthwith due and payable, whereupon the same shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which the Republic hereby expressly waives, anything contained in the Deed Poll, the Stock Certificates relating to Registered Stock or the Bearer Bonds to the contrary notwithstanding unless, prior to the time when the Registrar receives such notice, all Events of Default in respect of all the Stock shall have been cured. If any Stock becomes due and payable in accordance with these provisions, such Stock shall continue to bear interest in accordance with "Interest" above which will continue to apply.

Prescription

If any principal or interest in respect of Stock which was Registered Stock on the due date for payment of such principal or interest remains unclaimed for a period of 10 years (in the case of principal) or 5 years (in the case of interest) from the later to occur of (i) such due date for payment thereof and (ii) the date on which the cheque or warrant in payment thereof was first despatched, such principal or (as the case may be) interest shall at the end of such 10-year or (as the case may be) 5-year period be forfeited and revert to the Republic and the rights in respect of the person otherwise entitled thereto shall become void. Each Bearer Bond and (except as mentioned in "Payments" above) each Coupon will be void unless surrendered for payment within a period of 10 years, and 5 years, respectively, from the later to occur of (i) its due date for payment and (ii) the date on which, the full amount of moneys payable in respect of the Stock on such date having been received by the Principal Paying Agent after such date, notice of such receipt is given to Stockholders in accordance with "Notices" below.

Replacement of Stock Certificates, Bearer Bonds and Coupons

If any Stock Certificate, Bearer Bond or Coupon is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar in the case of a Stock Certificate or of the Exchange Agent in the case of a Bearer Bond or Coupon upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Republic and the Registrar or (as the case may be) the Exchange Agent may require. Mutilated or defaced Stock Certificates, Bearer Bonds or Coupons must be surrendered before replacements will be issued.

Title to Bearer Bonds and Coupons

The Republic, the Registrar, the Exchange Agent and any Paying Agent may treat the holder of any Bearer Bond or Coupon as the absolute owner thereof (whether or not such Bearer Bond or such Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon) for the purposes of receiving payment and for all other purposes.

Notices

All notices will be valid if despatched by post to each Stockholder at his registered address (in the case of joint holders, to the address of the holder whose name stands first in the Register) and if published in one leading daily newspaper printed in the English language and with general circulation in London or, if this is not practicable, in a newspaper printed in the English language having general circulation in Europe. It is expected, however, that publication of such notices will normally be made in the *Financial Times*. Any such notice will be deemed to have been given on the later of the day following the date of such despatch and the date of the first such publication.

Modification of Rights

The conditions of the Stock and the provisions of the Deed Poll and the rights of the Stockholders are subject to modification pursuant to an Extraordinary Resolution of the Stockholders as provided in the Deed Poll.

Governing Law, Jurisdiction and Waiver of Immunity

The conditions of the Stock and the provisions of the Deed Poll will be governed by and construed in accordance with the laws of England.

The Republic will irrevocably agree that any suit, action or proceeding ("proceedings") arising out of or in connection with the Stock may be brought in the English courts or in any competent court in the Republic, will submit to the non-exclusive jurisdiction of, and, to the extent that it is legally able to do so, will waive irrevocably any immunity to which it might otherwise be entitled in proceedings brought in, each such court and will consent generally in respect of any proceedings arising out of or in connection with the Stock to the giving of any relief or the issue of any process in the English courts in connection with such proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use, but excluding any property or asset which is used or intended to be used for any diplomatic or consular purpose) of any judgment which may be given in such proceedings. The Republic will designate and appoint the most senior person in London for the time being representing the Republic in diplomatic or consular affairs as its authorised agent for the receipt of any writ, judgment or other process in connection with proceedings in England and will agree that any writ, judgement or other process shall be sufficiently and effectively served on the Republic if delivered to the said representative at his official address (or, if none, his address) for the time being in England or in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds to be received by the Republic from the issue of the Stock will be credited to an account of the Central Bank of the Republic of Trinidad and Tobago on behalf of the Republic, and will be used for the purpose of financing general development in the Republic.

STOCK EXCHANGE DEALING

The Stock in both registered and bearer forms will be dealt in on The Stock Exchange in the Gilt-edged market. The Stock will normally be traded for settlement and delivery on the working day after the date of the transaction. Under current market practice, the price of the Stock will be quoted inclusive of accrued interest until the Stock has five years or less until final maturity.

It is expected that dealings on The Stock Exchange will begin on Friday, 4 May, 1984 without documents of title and at sellers' risk for deferred settlement on Thursday, 10 May, 1984.

UNITED KINGDOM TAXATION

In the case of interest payable in respect of Registered Stock, United Kingdom Income tax at the basic rate (currently 30 per cent.) will be deducted from each payment and accounted for to the Inland Revenue, except that, under current law and Inland Revenue practice, payments will be made gross to persons whose registered addresses are outside the United Kingdom, provided:

(a) that the payments are made directly to an address abroad other than a branch of a United Kingdom company (including a bank); and

(b) that the Registrar does not recognise the recipient as a person in the United Kingdom and does not recognise that the payment is being made, directly or indirectly, to, or for the account of, such a person, including a branch abroad of such a person.

Persons who are not resident for tax purposes in the United Kingdom may apply by sending a claim form A3 to the Inspector of Foreign Dividends for exemption from United Kingdom income tax on interest payable in respect of Registered Stock on grounds of non-residence. Any bank in the United Kingdom which is recognised as such by the Inland Revenue and which is the beneficial owner of Registered Stock may, under current Inland Revenue practice, apply to the Inland Revenue for payment of interest in respect of that Stock to be made gross to it.

In the case of interest payable in respect of Bearer Stock through a Paying Agent in the United Kingdom, United Kingdom income tax at the basic rate will be deducted from each payment and accounted for to the Inland Revenue unless, under current law and Inland Revenue practice:

(a) evidence is produced that the beneficial owner of the Bearer Bonds and Coupons in question is not resident in the United Kingdom; or

(b) payment is made to a bank in the United Kingdom recognised as such by the Inland Revenue and such bank certifies that it is the beneficial owner of the Bearer Bonds and Coupons in question.

Payments of interest in respect of Bearer Stock through a Paying Agent outside the United Kingdom will, under current law and practice, be made free of any United Kingdom withholding tax. Any person in the United Kingdom who collects payment of any such interest on behalf of a beneficial owner who does not produce evidence that he is not resident in the United Kingdom will be obliged to deduct United Kingdom tax (at the basic rate) and account for it to the Inland Revenue.

Stockholders who are liable to United Kingdom tax on capital gains should note that the provision in Section 67 of the Capital Gains Tax Act 1979 which exempts from tax capital gains on Gilt-edged securities (as therein defined) held for more than 12 months will not apply to the Stock. The provisions of the Finance (No. 2) Bill, if enacted in their present form, would not extend such exemption to the Stock.

THE REPUBLIC OF TRINIDAD AND TOBAGO

Trinidad and Tobago is an independent and sovereign nation within the British Commonwealth. It was a British Crown Colony until the introduction of self-government in 1956, it gained independence on 31 August, 1962 and became a Republic on 24 September, 1976. Under its Constitution, legislative power is vested in the Parliament, which consists of the President, the Senate and the House of Representatives. The President is elected for a five year term by all members of the Parliament; the President is Mr. Ellis E. I. Clarke. The members of the Senate are appointed by the President, while the members of the House of Representatives are elected by universal adult suffrage. The Prime Minister is the Honourable George Chambers MP, who is the leader of the ruling People's National Movement, which has formed the government since 1956. The Republic is a member of the United Nations, the Organisation of American States, the International Monetary Fund and the World Bank.

The Republic comprises two islands, Trinidad and Tobago, which lie twenty one miles apart and whose total area is 1,980 square miles; they are the southernmost islands in the chain of Caribbean islands and lie just off the South American mainland. The islands are situated slightly north of the equator and have a tropical climate. In mid-1983, the estimated population was 1,141,300; GDP per capita was US$7,300 in 1983, one of the highest among developing countries. The population is multi-racial: people of African descent comprise 43 per cent. of the population, East Indian descent some 40 per cent., and the remainder includes peoples of Syrian, Chinese and European descent. English is the official language.

The economy is dominated by commercial oil and gas production, contributing 23 per cent. of GDP and 37 per cent. of Government revenue in 1983. In recent years the Government has undertaken a large capital expenditure programme (reaching a peak of US$1,556 million in 1982) with the intention of developing industries which use natural gas to create products for export. New plants for the manufacture of steel and fertilisers commenced production in 1980 and 1982 respectively.

The principal employers are the service sector (51 per cent. of the workforce in 1982), construction (17 per cent.) and manufacturing (12 per cent.). The Government plays an important role in economic development; its activities include the promotion of development in the private sector, as well as direct participation in commercial activity, either alone or in joint ventures with the private sector.

The petroleum industry has been the principal source of export earnings, accounting for 84 per cent. of merchandise export earnings in 1983; estimated proven oil reserves stood at 633 million barrels in 1983, which would be sufficient for 10 years production at 1983 production levels. Probable reserves, including those associated with the natural gas fields as condensate, are estimated at a further 450 million barrels. Proven reserves of natural gas are estimated at 11.6 trillion cubic feet, which would be sufficient for 53 years production at 1983 production levels. Probable reserves are estimated at a further 6.2 trillion cubic feet. The Republic's major trading partner in petroleum products is the United States of America, which received approximately 60 per cent. of the Republic's petroleum exports in 1983.

Merchandise exports accounted for 29 per cent. of GDP in 1983. The most important export markets are the USA, other Caribbean countries and the EEC. The most important suppliers of imports are the USA, the United Kingdom and other EEC countries.

GDP declined by 2.7 per cent. in real terms in 1983, whereas in 1982 it had grown by 3.5 per cent. This contrasts with the rapid economic expansion experienced in the period prior to 1979, and reflects the lower level of domestic crude oil production and, more recently, the weakness of international oil prices. In 1983, exports declined by 20 per cent. while imports declined by 31 per cent.; in 1983, the balance of merchandise trade showed a deficit of US$171 million (1982: a deficit of US$714 million) in contrast to the surpluses recorded from 1974 until 1981. The overall current account of the balance of payments showed a deficit of US$967 million in 1983, and the overall balance of payments showed a deficit of US$836 million which was financed by drawing down accumulated foreign exchange reserves. At the end of January 1984, net international reserves amounted to US$1,954 million which compares with US$2,933 million at the end of 1982.

The policy of the Government is in general to encourage foreign investment, especially where such investment involves the transfer of expertise to nationals and facilitates access to export markets. However, Government policy is to ensure that control over the key sectors of the economy remains in the hands of nationals.

The Central Bank of the Republic is responsible for the administration of exchange control under powers delegated by the Minister of Finance and Planning under the Exchange Control Act and the Exchange Control Regulations.

In 1983, the Retail Price Index increased by 16.7 per cent. (1982: 11.4 per cent.). The acceleration in 1983 was mainly due to the impact of measures introduced in the 1983 budget, including reductions in subsidies and higher purchase taxes. Unemployment in 1982 amounted to approximately 9.5 per cent. of the workforce.

The changes announced in the 1984 budget are expected to reduce subsidies on a range of goods and services by a further US$130 million. Revenues (particularly purchase tax, excise duty and import duty) are expected to increase by US$240 million. Revenue is budgeted to be 10.6 per cent. higher than in 1983, exceeding current expenditure by US$210 million. Capital expenditure is budgeted to amount to US$1,067 million, leaving an overall deficit of US$857 million, which will be financed as to approximately 70 per cent. from domestic resources, principally from funds set aside in earlier years for long term development, and 30 per cent by net external borrowing.

The total direct debt of the Government at 31 December, 1983 was US$1,056 million, of which US$419 million was domestic debt and US$637 million was external debt. At 31 December, 1983, the Government had guaranteed for State corporations US$104 million of domestic debt and US$660 million of external debt. The external debt service payments of the public sector, consisting of principal and interest, are estimated to have totalled US$317 million in 1983, a sum equal to 11.5 per cent. of earnings from the export of goods and services (1982: 5.8 per cent.).

The Republic has always paid, when due, the full currency face amount of principal, interest and amortisation or sinking fund requirements of its indebtedness in accordance with the terms of such indebtedness.

Selected economic statistics are given in the table below:

	1979	1980	1981	1982 (provisional)	1983 (estimated)
	(billions of US dollars)				
Gross Domestic Product at current prices	4.8	6.6	7.6	7.9	8.4
International reserves (yearend)	2.0	2.6	3.2	3.0	2.0[3]
Exports of goods and services	2.2	3.4	3.4	3.1	2.7
External public debt[1]	0.6	0.8	1.0	1.1	1.3
	(per cent. except ratios)				
Real annual growth of GDP	6.2	3.0	3.4	3.5	—2.7
of which—Oil Sector	—5.1	—2.4	—12.1	—0.2	—9.5
Non-oil Sector	8.4	6.6	5.6	3.9	—1.8
External public debt as percentage of GDP	12.1	11.6	12.8	14.1	15.5
Import cover ratio[2]	16.1	15.9	19.3	12.7	9.7
External public debt service ratio	2.9	3.3	3.9	5.8	11.5

[1] Includes contingent obligations in respect of medium-term loans to state corporations.
[2] Net foreign reserves at end of period divided by average monthly imports.
[3] End of January 1984

GENERAL INFORMATION

Underwriting Arrangements

By an Underwriting Agreement dated 30 April, 1984, Morgan Grenfell & Co. Limited, J. Henry Schroder Wagg & Co. Limited, Barclays Merchant Bank Limited, Baring Brothers & Co. Limited, County Bank Limited, Kleinwort, Benson Limited, Samuel Montagu & Co. Limited and S. G. Warburg & Co. Ltd. (the "Underwriters") have agreed with the Republic to underwrite the issue of the Stock and the payment of £30 per cent. of the nominal amount thereof. The Underwriting Agreement is subject to certain conditions and Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited, on behalf of the Underwriters, may terminate the Underwriting Agreement if such conditions are not fulfilled and under certain other circumstances. If the Underwriting Agreement is so terminated, no applications for the Stock will be accepted or, as the case may be, acceptances of applications for the Stock will become void.

The Republic has agreed to pay to the Underwriters commissions aggregating 125p per £100 of Stock for their services as managers and underwriters of the issue, out of which will be paid commissions to the brokers to the issue (Hoare Govett Limited and W. Greenwell & Co.) and certain other persons who have been offered, on behalf of the Republic, and have accepted sub-underwriting participations in respect of the issue of the Stock. The Republic will also pay brokerage of 12½p per £100 of Stock to recognised Banks or Stockbrokers (as defined in "Terms of Payment in respect of Applications" above) on allotments made in respect of applications on forms bearing their stamp; this commission will not, however, be paid in respect of any allotment which arises out of an underwriting commitment. The total expenses of the issue (including the above-mentioned commissions but excluding sub-underwriting commissions, which will be paid out of the Underwriters' commission, and brokerage) are estimated to amount to some £395,000 and are payable by the Republic.

General

No person is authorised to give any information or to make any representation not contained in this Prospectus; and any information or representation not contained herein must not be relied upon as having been authorised by the Republic or any of the Underwriters. This Prospectus does not constitute an offer, and may not be used for the purposes of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The Euro-clear system and CEDEL S.A. have accepted the Bearer Bonds for clearance under code nos. 2409 (Euro-clear) and 281263 (CEDEL).

Under present legislation, Stock in both registered and bearer forms is transferable free from United Kingdom Stamp Duty.

Such of the Stock as is for the time being held in registered form will be an investment falling within the First Schedule to the Trustee Investments Act, 1961.

When the Stock is listed, such of it as is for the time being held in registered form will, in the case of purchases made on or after 23 May, 1984, be an investment falling within Part III of the Schedule to the Building Societies (Authorised Investments) (No. 2) Order 1977 (as amended).

At 10.00 a.m. on 27 April, 1984, the middle rate between the buying and selling spot delivery rates for TT dollars quoted on the London foreign exchange market was £1 = TT$3.382. Certain amounts in this Prospectus have been expressed in US dollars and have been converted from TT dollar amounts using an exchange rate of TT$2.40 = US$1.00, the rate at which the TT dollar has been linked to the US dollar since May 1976.

Documents for Inspection

Copies of the following documents will be available for inspection at the offices of Slaughter and May at 35 Basinghall Street, London EC2V 5DB during normal business hours until 16 May, 1984:

(i) the Underwriting Agreement referred to above;

(ii) drafts, subject to modification, of the Deed Poll referred to above (including the texts of a Stock Certificate and a Bearer Bond); and

(iii) the External Loans Act of the Republic.

Additional Copies

Copies of the Prospectus and application form may be obtained from:

Morgan Grenfell & Co. Limited
23 Great Winchester Street, London EC2P 2AX

J. Henry Schroder Wagg & Co. Limited
120 Cheapside, London EC2V 6DS

National Westminster Bank PLC
New Issues Department, P.O. Box 79,
2 Princes Street, London EC2P 2BD
208 Piccadilly, London W1A 2DG
80 George Street, Edinburgh EH2 3DZ
14 Blythswood Square, Glasgow G2 4AQ

Hoare Govett Limited
319-325 High Holborn, London WC1V 7PB and
The Stock Exchange

W. Greenwell & Co.
Bread Street, London EC4M 9EL and
The Stock Exchange

APPLICATION FORM

The application list will open at 10.00 a.m. on Thursday, 3 May, 1984 and will close later the same day. This form must be lodged with National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, London EC2P 2BD

The Republic of Trinidad and Tobago

ISSUE ON A YIELD BASIS OF £50,000,000 LOAN STOCK 2009
REDEEMABLE AT STOCKHOLDERS' OPTION IN 1989, 1994, 1999 AND 2004
Payable as follows: On application: £30 per cent. of the nominal amount.
On or before 7 August, 1984: the balance of the issue price.

FOR OFFICE USE ONLY
1. Acceptance No.
2. Amount of Stock accepted £
3. Amount received on application £
4. Amount payable on Stock accepted £
5. Amount returned £
6. Balance Payable £
7. A.L. No.
8. Cheque No.

To Morgan Grenfell & Co. Limited and J. Henry Schroder Wagg & Co. Limited on behalf of the Republic of Trinidad and Tobago (the "Republic"):
In accordance with the terms of the Prospectus dated 1 May, 1984 I/we apply as below. I/We undertake to accept the amount of Stock applied for or any less amount that may be allotted in respect of this application and to pay for the same in conformity with the terms of the said Prospectus.

Nominal amount of the Stock applied for	Amount enclosed at £30 per cent. of the nominal amount applied for
£	£

Note: Applications must be for a minimum of £100 nominal amount of Stock and thereafter for the following multiples of Stock:

Amount of Stock applied for	*Multiple*	*Amount of Stock applied for*	*Multiple*
£100 – £2,000	£100	£20,000 – £100,000	£1,000
£2,000 – £20,000	£500	£100,000 or greater	£25,000

I/We enclose a cheque drawn on a branch in the United Kingdom or the Channel Islands of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses made payable to "National Westminster Bank PLC" and crossed "Trinidad and Tobago Loan" representing payment at the rate of £30 per cent. for the above mentioned nominal amount of Stock. I/We agree that this application shall be irrevocable. I/We understand that completion and delivery of this Application Form accompanied by my/our cheque constitutes a representation that the same will be honoured on first presentation. I/We hereby engage to pay the balance payable on the Stock by 7 August, 1984 on any allotment made to me/us in respect of this application and I/we understand that failure to pay such balance by the due date will render the amount previously paid liable to forfeiture and the allotment liable to cancellation. I/We acknowledge that any allotment letter and (if appropriate) remittance for any application moneys returnable to me/us is (are) liable to be held pending clearance of such cheque.

I/We hereby request that any Stock allotted to me/us:

(Delete box A or B as appropriate)

Box A
Be evidenced by an allotment letter addressed to me/us and be sent by post at my/our risk to me/us at the first address shown below.

Box B *(For persons with a Euro-clear or CEDEL account only)*
Be evidenced by a Global allotment letter addressed to Euro-clear Operations Centre and that our participation therein be credited to our existing securities account at:

EURO-CLEAR A/c No.
CEDEL A/c No.

Date..................May, 1984

Please use BLOCK LETTERS.

(1) *Usual Signature*....................
Forenames....................
Surname....................
(also state designation: Mr., Mrs., Miss or title)
Address in full....................

Joint Applicants (if any):
In the case of joint applicants, all must sign and, in the case of a corporation, this form must be signed under hand by an authorised official who should state his capacity.

(2) *Usual Signature*....................
Forenames....................
Surname....................
(also state designation: Mr., Mrs., Miss or title)
Address in full....................

(3) *Usual Signature*....................
Forenames....................
Surname....................
(also state designation: Mr., Mrs., Miss or title)
Address in full....................

(4) *Usual Signature*....................
Forename....................
Surname....................
(also state designation: Mr., Mrs., Miss or title)
Address in full....................

Please pin cheque here.

ALTERNATIVE METHOD OF PAYMENT
(This method of payment is available only to recognised Banks or Stockbrokers as described in the Prospectus).
We hereby irrevocably engage to pay National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, London EC2P 2BD for credit to the account designated "Trinidad and Tobago Loan" by 10.00 a.m. on Wednesday, 9 May, 1984 the amount in Town Clearing Funds representing payment at the rate of £30 per cent. for the Stock allotted to the person(s) named above in respect of this application.

Authorised Signature....................

Name of bank or broker....................
Address in full....................
Date

Stamp of bank or broker claiming brokerage (if any)	A.L. No.	Stock allotted

APPOINTMENTS

Thames TV forms joint company

THAMES TELEVISION and its parent companies, Thorn EMI and BET (Rediffusion), are setting up a joint company to provide services to the cable and satellite industries, commencing with The Children's Channel for pre-school and primary age cable audiences. The new company is called THAMES CABLE AND SATELLITE SERVICES and will be owned equally by the three companies. The managing director of Thames, Mr Bryan Cowgill, will be chairman, and Mr Richard Dunn, director of production at Thames, has been appointed managing director. Other directors include Mr Ron Denny, managing director of Rediffusion, Mr Colin Wills, managing director of Humphries Holdings, Mr Gary Dartnall, chairman and chief executive of Thorn EMI Screen Entertainment, Mr Nick Bingham, director of new business development, Thorn EMI Screen Entertainment, and Mr Ian Scott, Thames' director of finance.

★

Mr W. J. Wakeley, Mr J. Paine, Mr R. C. Coleman, Mr J. F. Cotton, Mr A. E. Redsell and Mr P. Turner have resigned from the board of BRITISH HOP PRODUCTS and Mr I. R. Ibbotson has been appointed to the board. The company, which has become a wholly-owned subsidiary of Lupofresh, now comprises Mr Ralph Kenber (chairman), Mr John Coombe-Jones, Mr Ian Ibbotson and Mr Ive Jansen.

★

Mr Claude Brown has been appointed chairman of the British and Irish Association of PANNELL KERR FORSTER in succession to Mr Sidney Chedgey, from May 1. Mr Brown is a partner in Pannell's London office. He currently serves on the firm's national Executive as international partner, and with this appointment effectively becomes senior partner in the UK.

★

TRANSPORT DEVELOPMENT GROUP has appointed Mr James G. Davis a non-executive director from May 1. He is a former president of the Chartered Institute of Transport. He is a director of Kleinwort Benson, Associated British Ports, and D.F.D.S. (UK).

★

Mr Alastair M. Haddow and Mr Alistair G. Stewart have been appointed to the board of MURRAY JOHNSTONE. Mr Iain H. D. Lynn has been appointed to the board of Murray Johnstone Pension Management.

★

Mr James T. Laurenson, a non-executive director of ADAM & CO. has been appointed deputy chairman with executive responsibilities. Mr Laurenson, who was until 1983 a director of Ivory and Sime, will continue as managing director of Cockburn Taylor Holdings. Mr Raymond Entwistle has been appointed general manager—banking services at Adam & Company. Mr Entwistle was formerly the Edinburgh branch manager of Lloyds Bank.

★

Mr P. J. Benka, Mr J. C. E. Bones and Mr A. G. B. Pullinger became shareholding directors of LAING AND CRUICKSHANK, stockbrokers, from April 28.

★

Mr Jeff Griffiths has been appointed director and general manager of IRATHANE INTERNATIONAL, Redhill. This is a consequence of the recent re-acquisition from British Petroleum of the UK company by Irathane Systems Inc of Hibbing, Minnesota. Mr Griffiths was technical director.

★

Two directors have been appointed by SPICER HALLFIELD, Haddenham. Hhey are Mr Maurice Southwell to sales director and Mr John Scott to financial director.

★

Mr David Butcher formerly with Swenska International, has been appointed associate director—syndications at YAMAICHI INTERNATIONAL (EUROPE).

★

Mr David Midcalf joins WILTSHIRE SOUTH EAST on May 1 as marketing director.

★

Mr Geoffrey Baxter, senior partner, HODGSON HARRIS, and Mr Geoffrey Blizzard, partner, have retired. Mr James Donovan continues as senior partner at the London office and Mr Malcolm Strachan becomes senior partner based at Hull. The following are admitted to the partnership from May 1: Mr John Dent at Horsham Mr David Graham and Mr Ian Hudson at Hull, and Mr John Lister at Spalding.

★

Mr Peter Plant has been appointed non-executive director of FRENGER HOLDINGS, representing major institutional shareholders.

★

Three have been appointed to the board of PANASONIC UK. They are: Mr Eric Bean, director of public relations and external affairs; Mr John Rolls, director of personnel and legal affairs and Mr Simon Mizuno, director of technical and service department. Other appointments are: Mr Peter Hamblin, director of marketing department; Mr Steve Wilson, director of Technics Kimoto, director of sales pro-organs department and Mr Max motion department.

★

Mr E. E. Ray, a partner in Spicer and Pegler, has accepted an invitation to join the CITY CAPITAL MARKETS COMMITTEE. Mr D. C. Hobson has retired from the Committee.

Senior post at Midland Bank

Mr S. H. Lawrence, at present deputy general manager (computer operations) MIDLAND BANK, has been appointed general manager (group management services), formerly computer operations division, from May 1. He succeeds Mr W. D. Jarman, general manager (computer operations), who is retiring.

★

Mr J. S. Callis has joined the board of ATKIN RAGGETT, Lloyds insurance brokers.

★

Mr Stephen McGairl, Mr Richard Ballard and Mr Nicholas Spearing will join the partnership of FRESHFIELDS on May 1.

★

SCOTTISH & NEWCASTLE BREWERIES has appointed Mr Roy Summers to the board.

N. AMERICAN QUARTERLIES

ALEXANDER AND ALEXANDER
Insurance broking

First quarter	1984 $	1983 $
Revenue	135.7m	142.3m
Net profits	8.0m	7.9m
Net per share	0.33	0.33

ARMCO
Steelmaking, oilfield eqpt.

First quarter	1984 $	1983 $
Revenue	1.1bn	98.8m
Net profits	56.3m	†128.4m
Net per share	0.62	—

†Loss

AVNET
Electronic components

Third quarter	1983-84 $	1982-83 $
Revenue	427.7m	297.5m
Net profits	22.85m	10.49m
Net per share	0.54	0.30
Nine months		
Revenue	1.18bn	838.6m
Net profits	62.82m	34.45m
Net per share	1.77	0.98

CHAMPION SPARK PLUG
Spark plugs, spraying eqpt.

First quarter	1984 $	1983 $
Revenue	212.1m	172.8m
Net profits	9.6m	11.3m
Net per share	0.25	†0.05

†Loss

CLARK EQUIPMENT
Lift trucks, construction machinery

First quarter	1984 $	1983 $
Revenue	293.1m	200.8m
Net profits	8.1m	5.5m
Net per share	0.52	0.41

COMMODORE INTERNATIONAL
Computers

Third quarter	1983-84 $	1982-83 $
Revenue	326.2m	189.6m
Net profits	36.3m	25m
Net per share	1.18	0.81
Nine months		
Revenue	965.9m	459.3m
Net profits	110.7m	65m
Net per share	3.59	2.11

CONSOLIDATED-BATHURST
Forest products

First quarter	1984 C$	1983 C$
Revenue	354m	342m
Net profits	16.9m	9.1m
Net per share	0.53	0.27

FORD CANADA
Automobiles

First quarter	1984 C$	1983 C$
Revenue	2.8bn	1.5bn
Net profits	127m	19m
Net per share	15.26	—

†Loss

GLOBAL MARINE
Offshore drilling contractor

First quarter	1984 $	1983 $
Revenue	102m	121.3m
Net profits	5m	17m
Net per share	0.04	0.55

GULF CANADA
Oil and gas

First quarter	1984 C$	1983 C$
Revenue	1.34bn	1.16bn
Net profits	73m	68m
Net per share	0.32	0.30

INGERSOLL-RAND
Industrial equipment

First quarter	1984 $	1983 $
Revenue	572.5m	572.1m
Net profits	7.4m	†12.7
Net per share	0.30	—

†Loss

JOHNSON & JOHNSON
Drugs and toiletries

First quarter	1984 $	1983 $
Revenue	1.52bn	1.51bn
Net profits	149m	132.2m
Net per share	0.78	0.70

KELLOGG
Ready-to-eat meals

First quarter	1984 $	1983 $
Revenue	647.1m	583.1m
Net profits	69.8m	69.1m
Net per share	0.91	0.77

VF CORPORATION
Clothing, including Lee jeans

First quarter	1984 $	1983 $
Revenue	263.4m	222.4m
Net profits	27.3m	23.2m
Net per share	0.83	0.71

WANG LABORATORIES
Business systems

Third quarter	1983-84 $	1982-83 $
Revenue	563.5m	396m
Net profits	49.2m	35.8m
Net per share	0.36	0.28
Nine months		
Revenue	1.47bn	1.07bn
Net profits	136.4m	95.4m
Net per share	0.99	0.75

WELLS FARGO
12th largest U.S. bank

First quarter	1984 $	1983 $
Revenue	—	—
Net profits	40m	34.5m
Net per share	1.52	1.44

WENDY'S INTERNATIONAL
Fast food restaurants

First quarter	1984 $	1983 $
Revenue	205.5m	153.5m
Net loss	13m	10.1m
Net per share	0.24	0.19

TECHNOLOGY

EDITED BY ALAN CANE

PRIVATISATION OF DEFENCE R & D GETS UNDER WAY

First fruits of Strathcona's doctrine

BY DAVID FISHLOCK, SCIENCE EDITOR

A MAJOR new design and development effort within British industry, spending £100m-£150m a year, is being carved from the research establishments of the Ministry of Defence. The first cut effectively "privatises" the ministry's development effort on rocket motors, to form the foundation of an R and D arm for the new company planned to manage the Royal Ordnance Factories.

This month, the MOD has transferred some 600-700 staff—at this stage as civil servants on secondment—at its Propellant, Explosive and Rocket Motor Establishment, and two sites at Westcott near Aylesbury, Buckinghamshire, and Waltham Abbey (south site), Hertfordshire, to the embryonic ROF company. They are currently spending "some tens of millions of pounds a year," the MOD says.

Mr Colin Fielding: "excellence"

They are pathfinders for the main privatisation of defence R and D during the mid-1980s, when the entire development and design effort on tanks and guns is to be transferred to the ROF company. Chiefly this involves activities at the Royal Armament Research and Development Establishment at Fort Halstead, Kent, and at the Military Vehicles and Engineering Establishment (the "Tank Factory") a Chobham, Surrey.

Under a major reorganisation of the MOD's R and D effort, Mr Colin Fielding, controller of establishments and research, has just combined RARDE and MVEE into a single establishment, to be known as RARDE. Its speciality will be warhead design. Its director is Dr Tom McLean, already director at Fort Halstead. Much of the design and development activity on land systems at Chobham will be transferred to the ROF company.

The reorganisation of the £600m-a-year activities of the MOD's research establishments is part of a pattern established by the Strathcona report, a 1980 MOD Green Paper. The two big changes it aimed for were rapid acceleration of the trend to transfer project-related R and D activities to industry; and reinforcement of some of the more novel and intellectually challenging ideas for defence technology and systems.

Mr Fielding's latest moves reduce the number of R and D establishments from 11 to 7, and consolidate the trend to refocus their activities on a technology rather than a particular service arm. Thus the reorganised RARDE becomes the focus of non-nuclear warhead development and design for all three services; just as the Atomic Weapons Research Establishment, Aldermaston, develops and designs nuclear warheads for all three services.

Another change merges three former Navy establishments into a single centre of about 4,000 staff, specialising in command and control for all three services. The newly created Admiralty Research Establishment has Mr Ian Bott—inventor of a famous radar device of the 1960s known as "Bott's bottle"—as its first director. His headquarters will be at Portsdown near Portsmouth, site of the former Admiralty Surface Weapons Establishment. But his deputy director will be at Portland, the former Admiralty Underwater Weapons Establishment near Weymouth. Three other former Navy laboratories — in Teddington, Dunfermline and Dorset — become outstations of the ARE.

These changes have three overall aims, Colin Fielding says. First they further the policy of establishing centres of excellence for all three services for the primary defence technologies of the future. The pattern today is summarised in the accompanying table.

Their second purpose is to acknowledge a much more complementary role with the UK defence industries than has existed in the past.

R AND D: UK CENTRES OF EXCELLENCE IN DEFENCE TECHNOLOGY

Establishment	Core Technology
Admiralty Research Establishment (Portsdown)	Command and control
Aeroplane and Experimental Establishment (Boscombe Down)	———
Atomic Weapons Research Establishment (Aldermaston)	Nuclear warheads
Chemical Defence Establishment (Porton)	Chemical and biological defence
Royal Aircraft Establishment (Farnborough)	Aeronautics, guided weapons, materials
Royal Armament Research and Development Establishment (Fort Halstead)	Conventional warheads
Royal Signals and Radar Establishment (Malvern)	Electronics, electro-optics, sensors, lasers, electronic warfare, computing

As Fielding sees it, the MOD has to "try to take aboard the thrust of its thinking in our programme." He plans to bring defence industry chiefs in as non-executive directors of new development programmes. His own sphere of responsibility accounts for some 4 per cent of total UK defence procurement.

Their third purpose is to improve the financial management of defence R and D; "getting the last ounce of value without stultifying innovation," Fielding says. His hopes here ride on an experiment the ministry has performed on itself over the last 18 months. Programme managers at RSRE, Malvern, were asked to compete for new research programmes; asked to make bids based on real costs for up to a year ahead. They were charged with the full cost of resources — such as computer time — they estimated they would need to do it.

"It's amazing what an excellent discipline it is," Fielding says. "People think twice before they let the computer run all night, crunching numbers."

Ferranti CAD/CAM for Royal Ordnance

NINE Royal Ordnance Factories are to be equipped with Ferranti computer-aided design and manufacturing (CAD/CAM) systems in what may be the largest single order placed in Europe, worth £3 initially.

Ferranti expects to equip all 14 ROFs eventually, bringing the total value to about £4m.

Distributed throughout England and Scotland, the ROFs produce a wide range of armament for Britain's forces, ranging from main battle tanks to small arms ammunition. They employ 18,500 people and in 1982/83 turned over nearly £450m. Subject to parliamentary approval they will soon be incorporated under the Companies Acts.

At the same moment, the name of the company making the CAD/CAM equipment has been changed from Ferranti Cetec to Ferranti Infographics. Managing director Mr J. G. Scott thinks the new name is more descriptive of the company's activities and also points out that there is no longer any connection with Cetec Corporation in the U.S.

In the last month of 1983 the Ferranti company sold £1m of CAD/CAM including £0.25m of its CAM-X system to Vickers Defence Systems for the design of armoured fighting vehicles. Another £200,000 of the equipment went to Hygena in Humberside for the design of kitchens and kitchen components.

The CAM-X system, introduced in 1982 and made in Scotland, incorporates advanced draughting, design and manufacturing software and operates on the Digital Equipment VAX range of computers. More on 0506 411583.

GEOFFREY CHARLISH

How will cable operators get their TV programmes?

THE QUESTION which everyone in the media business is currently asking in Britain is how will cable TV operators get their programmes? Understandably, the cable industry is very concerned about the quality of programme material it will require to fill all those channels. Yet the question has another meaning, too, barely considered or explored in the public debate about cable: how will the programmes actually get to 100 or more local stations before being re-distributed to local subscribers?

The alternative meaning to the question reveals one assumption that must be now taken for granted. Namely, despite the localised nature of cable TV, the bulk of programming will come as blocks of national networking. And the electronic logistics involved in this demand some highly sophisticated distribution systems.

Local cable TV operators scattered around the UK are taking their mainstream programming from national suppliers such as the TEN feature film channel run by United Cable Programmes and the forthcoming children's channel (Jack-in-a-Box) offered by Thorn EMI. The assembly and distribution of these programmes is now tending to be concentrated into two or three London facility houses, such as the Rank Phicom subsidiary TVI—which services both TEN and Satellite Television's Sky Channel.

The servicing and distribution of a cable TV channel is no minor feat. For TVI it means knowing exactly what is due to be distributed some weeks in advance—films, commercials, linking sequences — ensuring that all the material is to hand on time, checking it for quality (it may come in as American NTSC tapes, 2 inch tapes, film) and then assembling it with electronic time coding as necessary. This "assembly" may mean, for example, that a TV commercial has time coding that will enable appropriate local cable stations automatically to block out the commercial in order to insert local advertising.

When the material is ready, getting it to the cable stations is where the real journeying begins. It is not of course despatched by messenger on horseback, but ideally via satellite. For TVI, this utilises the company's land-line link to the Post Office Tower—from where it is relayed to the British Telecom satellite ground station at Woolwich, where a 13 metre diameter dish aerial sends it 24,000 miles to one of seven satellites covering the UK.

From this point, it is up to the cable operators to bring the signal in again—another 24,000 or more miles—assuming of course that they have paid for it. A down-link station using a dish aerial of 3.7 metres will cost a local station about £15,000 to £20,000. But additionally many cable TV stations are offering BBC and ITV programmes—including some out-of-region programmes—and require very tall masts for conventional TV aerials and smaller microwave dishes.

This clutter of technology, known as an aerial farm, poses problems of its own. A 3.7 metre dish aerial which must be accurately aligned to the satellite—and stay that way—requires substantial anchorage because of the wind loading it has to withstand. Many cable stations are operating in town centres and from premises unsuitable for such engineering feats, even if the local authority gave planning permission for an installation with the aesthetic appeal of a radar station.

Video & Film

BY JOHN CHITTOCK

In consequence, a costly landline must be installed to connect the aerial farm to the cable station. Thorn EMI has done this at Swindon, using an optical fibre link 1.7 miles long. Nonetheless, its film channel at present is actually delivered physically on ½-inch videotape—but will change over to satellite distribution later this year.

There are signs that some cable operators may not have completely anticipated these siting problems, and wherever a station has to be separated from its downlink dishes the installation of landlines is not only a costly solution but technically unsatisfactory unless fibre optics are used. Co-axial cable is subject to picking up interference and may require amplifiers.

There are also indications that the cable operator may not be free to determine his own technical parameters for the quality of signals delivered to subscribers. At present, for example, Thorn EMI is using so-called low band U-matic tapes for its feature film channel—a practice that ITV would not accept. When programmes are distributed by satellite, all sorts of technical horrors could occur and the new Cable Television Authority will surely have to address itself to technical as well as programme standards.

Forever in the middle of this 21st century distribution business is British Telecom; some might say with unfair advantages. Access to the transponders on those satellites covering the UK (each transponder can represent a channel) is effectively controlled by BT. Charges for leasing such circuits make it uneconomic to commit for less than 24 hours per day or week, but clients are not allowed to re-sell unused capacity.

Visnews, the TV news agency with substantial video facilities and a satellite operation of its own, is typical of the kind of company that could run a satellite brokering service — with all the associated facilities available such as telecine transfer, video editing, even some studio capacity. But at present Visnews is not even permitted to have an up-link dish aerial at its Park Royal site because BT believe it could cause interference. Visnews is obviously sceptical about this argument and meanwhile has to rely on landlines to the Post Office Tower.

There are, of course, valid reasons for regulation and control over the broadcasting of signals—to preserve technical standards, prevent interference with aircraft and other transmissions and maintain some sanity in what is effectively a public utility. But with cable TV stations in Britain now dependent on broadcast or satellite technologies to receive and redistribute their programmes, the fragmentation of responsibility in the chain begins to look rather stretched.

Cable television, perhaps even more than broadcast TV, is bringing together a complex array of technical standards and media. In interfacing these economically and effectively, co-ordination and centralisation of services is needed. Perhaps British Telecom is missing a trick—and should buy up a London facilities house?

Labelling

Fruity answer

LABELS stuck on individual fruit has been mainly carried out by hand as automatic machines until now have not done this job satisfactorily. Sinclair International believes that it has overcome this problem with a rotary labeller called the R6000.

The company says that it can label up to 400 individual fruits a minute on each line of items passing through the pack-house regardless of size or texture. Bruising or damage does not occur. Sinclair International was set up to exploit this market. More details from the company in Norwich on (0603) 27294.

Semiconductors

Laser light

AN OPTICAL semiconductor which emits laser light when activated by an electric current has been developed by NEC in Japan.

This experiment chip is a step towards the development of optical computers which will function with beams of light rather than electrons used in computers today. The breakthrough was made by two NEC research bodies; the Optoelectronics Research Institute and the Computer and Communications System Research Institute.

Energy

Hot rocks

ASEA has set up a new company to exploit its expertise in geothermal energy. It will use concepts developed in collaboration with Lund University and the Lund Energy Authority.

The company is already involved with a 40 MW geothermal plant for district heating. The first £5m stage of the project—as detailed this page April 4—will be complete in 1985.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Tuesday May 1 1984

WALL STREET

Encouraging data leave little trace

FINANCIAL markets on Wall Street were subdued yesterday despite some encouraging economic data, *writes Terry Byland in New York.*

The bond market showed further weakness and gradually pulled the stock market down in its wake. The credit sector refused to respond to the Commerce Department's disclosure of a sharp drop in its leading economic indicators in March, but was nervous ahead of a funding package of $18.5bn from the U.S. Treasury, expected tomorrow.

The Dow Jones industrial average closed 1.68 up at 1,170.75.

The fall of 1.1 per cent in leading indicators last month exceeded market predictions. But it has become apparent that economic data for March have been distorted by the severe winter weather in many parts of the U.S. and the bond market was doubtful whether the economy is slowing down at such a rate. Mr Malcolm Baldrige, the Commerce Secretary, described the fall in the indicators as "exaggerated." Similar doubts surrounded the news of a 4.9 per cent fall in single family house sales for the month.

Another discouraging factor was the continued pressure on short-term interest rates as the tax season came to the boil. The federal funds rate moved up to 10 13/16 per cent. With the rate at 10¾ the Federal Reserve announced three-day system repurchase arrangements. Yesterday was a peak day for Treasury tax balances, and consequently a weak day for bank reserves. Moreover, the Fed had to redeem some of last week's repurchase deals. The credit market expects these technical factors to ease during this week.

The stock market opened firmly, with major shares buoyed by hopes that the prospect of higher interest rates has been discounted and that the surge of earnings gains will propel the Dow through the 1180 level which marks the top of the recent trading range.

The closing report on Wall Street and updated U.S. market monitors were not available because of continuing industrial action at the Financial Times' printers in Frankfurt.

But stock trading was held back by the weakness of the bond market and an early round of gains in the leading issues was gradually replaced by losses.

Among those to lead the reverse in the trend of the market were IBM, $⅝ off at $112⅞, General Motors, unchanged at $66⅞, General Electric, $⅝ off at $55 and Exxon, unchanged at $42⅝.

Ford Motor, however, remained firm, with a rise of $⅛ to $35¾, and other scattered improvements included Texas Instruments, $1¼ up at $143¾, NCR $⅛ better at $107, Curtiss Wright, $1¼ higher at $37¼ and Motorola $1¼ up at $119½.

Among the takeover stocks, Carter Hawley Hale at $29½ gave up $2½ as investors began to doubt whether The Limited would succeed with its offer of $35 a share. Walt Disney, hotly pursued by Mr Saul Steinberg's Reliance group, shaded by $¼.

There was renewed activity in Shell Oil as the market awaited the culmination of the parent group's bid for the outstanding equity. At $58⅛, Shell was unchanged on the session.

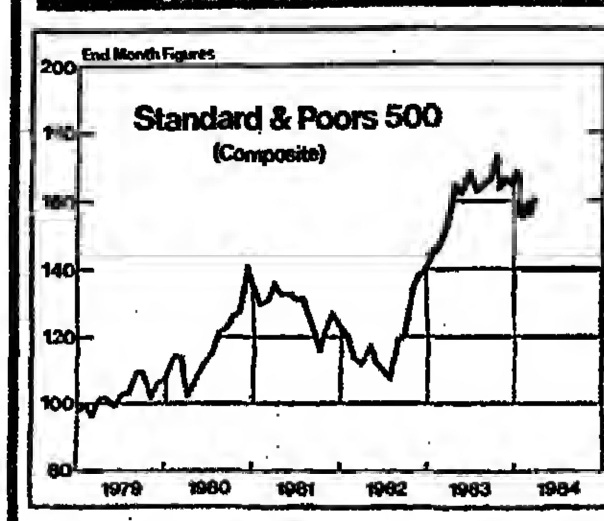
National Semiconductor, a weak spot for some time, came back into favour with a gain of $⅜ to $15¾. Becton Dickinson at $34⅞ put on $⅛, still responding to the recent trading figures.

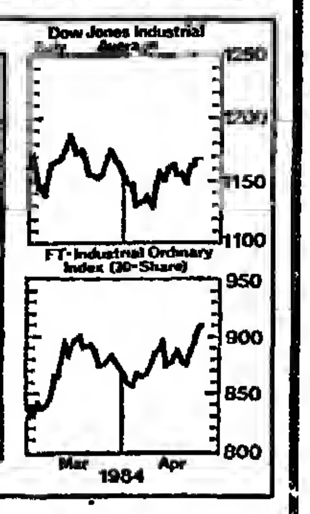
The bond market remained depressed throughout the session by the prospect of tomorrow's new round of Treasury financing, which will fall onto a market still lacking in retail demand. Market traders had great difficulty in moving on the Treasury securities taken on board in the Treasury's refinancing in January.

The new package is expected to involve new issues of three year and 10-year notes and of the key 30-year bond. The key bond opened half a point down yesterday and was later quoted at 93 23/32, a net 15/32 down and yielding 12.80 per cent.

The prospect of a 13 per cent yield on the long bond, first predicted by Dr Henry Kaufman of Salomon Bros, has become a focal point for the market, which now questions whether retail buyers will be tempted by anything less than a 13 per cent return.

KEY MARKET MONITORS





STOCK MARKET INDICES

	April 30	Previous	Year ago
NEW YORK			
DJ Industrials	1170.75	1169.07	1226.2
DJ Transport	496.91	497.74	524.94
DJ Utilities	125.00	125.39	128.41
S&P Composite	160.04	159.89	164.42
LONDON			
FT Ind Ord	910.1	908.0	692.1
FT-SE 100	1138.3	1138.2	949.1
FT-A All-share	534.84	534.83	436.85
FT-A 500	583.43	583.01	475.83
FT Gold mines	676.6	684.4	632.0
FT-A Long gilt	10.34	10.26	10.49
TOKYO			
Nikkei-Dow	closed	10,961.6	8636.53
Tokyo SE	closed	861.11	628.13
AUSTRALIA			
All Ord.	756.0	753.6	592.2
Metals & Mins.	536.7	534.1	523.2
AUSTRIA			
Credit Aktien	55.18	55.24	57.84
BELGIUM			
Belgian SE	155.73	155.25	122.85
CANADA			
Toronto Composite	2323.0*	2329.2	2340.8
Montreal Industrials	417.19*	422.36	397.53
Combined	389.93*	398.1	390.59
DENMARK			
Copenhagen SE	199.59	200.75	138.97
FRANCE			
CAC Gen	178.2	177.2	120.6
Ind Tendance	113.4	112.8	74.8
WEST GERMANY			
FAZ-Aktien	353.65	353.2	321.58
Commerzbank	1032.1	1032.8	960.8
HONG KONG			
Hang Seng	37.06	1054.3	1019.43
ITALY			
Banca Comm.	215.16	216.16	199.42
NETHERLANDS			
ANP-CBS Gen	closed	160.4	124.9
ANP-CBS Ind	closed	127.9	102.0
NORWAY			
Oslo SE	298.86	286.44	184.78
SINGAPORE			
Straits Times	993.91	998.12	954.87
SOUTH AFRICA			
Golds	1023.5	1030.9	878.4
Industrials	1069.0	1070.8	890.2
SPAIN			
Madrid SE	closed	116.42	109.64
SWEDEN			
J & P	closed	1510.15	1426.88
SWITZERLAND			
Swiss Bank Ind	378.0	378.1	328.0
WORLD	April 27	Prev	Year ago
Capital Int'l	188.7	189.6	175.9

GOLD (per ounce)

	April 30	Prev
London	$375.50	$378.00
Frankfurt	$375.75	$379.875
Zurich	$375.75	$379.50
Paris (fixing)	$376.27	$377.78
Luxembourg (fixing)	$376.00	n/a
New York (May)	$376.30*	$378.00

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR April 30	U.S. DOLLAR Previous	STERLING April 30	STERLING Previous
$	–	–	1.3985	1.4015
DM	2.7185	2.706	3.805	3.795
Yen	226.65	226.55	317.5	318
FFr	8.338	8.31	11.66	11.64
SwFr	2.246	2.235	3.1425	3.135
Guilder	3.0625	3.049	4.265	4.275
Lira	1679	1674.5	2347.5	2346
BFr	55.4	55.09	77.5	77.2
C$	1.28475	1.2798	1.7945	1.794

INTEREST RATES

	April 30	Prev
Euro-currencies (3-month offered rate)		
£	8 9/16	8⅝
SwFr	3⅝	3 11/16
DM	5 11/16	5 11/16
FFr	12⅝	12⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	11 1/16	11⅛
6-month U.S.$	11⅜	11 7/16
U.S. Fed Funds	10⅝*	10 11/16
U.S. 3-month CDs	10.65*	10.50
U.S. 3-month T-bills	9.70*	9.67

U.S BONDS

Treasury		April 30* Price	Yield	Prev Price	Yield
11⅝	1986	99 17/32	11.80	99 19/32	11.73
12⅜	1991	98⅛	12.75	98 [illegible]	12.70
11.75	1993	94 [illegible]	12.82	94 17/32	12.77
12	2013	93 23/32	12.86	93 19/32	12.79
Corporate		**April 30***		**Prev**	
AT & T		Price	Yield	Price	Yield
10⅜	June 1990	89⅞	12.80	90⅛	12.70
3⅞	July 1990	71½	10.50	70¾	10.40
8¾	May 2000	69⅝	13.40	69¼	13.30
Xerox					
10¼	March 1993	86¾	13.20	87¼	13.10
Diamond Shamrock					
10⅞	May 1993	85½	13.40	86⅛	13.20
Federated Dept Stores					
10½	May 2013	79⅝	13.40	79⅞	13.40
Abbot Lab					
11.80	Feb 2013	88⅝	13.35	88⅝	13.35
Alcoa					
12½	Dec 2012	89⅝	13.75	89¾	13.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	64-24	64-26	64-17	64-31
U.S. Treasury Bills (IMM) $1m points of 100%				
June	89.93	89.95	89.88	89.98
Certificates of Deposit (IMM) $1m points of 100%				
June	88.95	89.02	88.91	88.99
LONDON				
Three-month Eurodollar $1m points of 100%				
June	88.82	88.89	88.73	88.90
20-year Notional Gilt £50,000 32nds of 100%				
June	106-13	106-15	106-06	106-22

COMMODITIES

(London)	April 30	Prev
Silver (spot fixing)	641.95	648.05p
Copper (cash)	£1025.00	£1036.50
Coffee (May)	£2113.00	£2112.50
Oil (spot Arabian light)	$28.35	$28.35

LONDON

Light buying enough for record high

A FIRM tone pervaded London yesterday, although buying was selective and slight compared with recent hectic sessions. The support, however, was sufficient to push the FT Industrial Ordinary index to another record, while the FT-SE 100 index closed up 0.1 at 1138.3.

The industrial index closed 2.1 higher at 910.1, taking the advance during the past five days to 30.1. Much of yesterday's rise was recorded during heightened afternoon trading.

Most interest centred on secondary issues with leading stocks taking a back seat in the wake of their sharp increases, although few strayed from previous closing levels.

BOC, up 10p to 302p, provided one of the new noteworthy movements among the index constituents. Marks and Spencer was another market leader to improve in expectation of today's preliminary results.

Unsettled by last Friday's announcement of new Government funding of £1bn of Treasury 9½ per cent convertible tap stock and by further weakness in sterling against the U.S. dollar, gilt-edged securities ran into early selling.

Most quotations closed a fraction above their worst but losses ranged to ½ and occasionally more among the longs.

Chief price changes, Page 36; Details, Page 37; Share information service, Page 38–39

HONG KONG

SWIRE PACIFIC was the governing influence in Hong Kong yesterday as shares drifted lower in moderate business. The Hang Seng index closed down 17.24 at 1,037, after being up 8.79 at the mid-morning calculation.

The market took a bearish view of Saturday's announcement that Swire Pacific is to buy out the 27.5 per cent minority interests in the publicly listed subsidiary, Swire Properties. Following a resumption in trading after a morning suspension, the company's shares closed at HK$16.60 compared with an opening afternoon quote of HK$18 and last Friday's closing HK$18.40.

AUSTRALIA

BASE METAL and oil and gas stocks kept Sydney buoyant yesterday. Business was moderately active throughout the day, although most issues closed slightly below their peaks.

The All Resources index climbed from 563.8 to 567.1 while the All Ordinaries closed up 2.2 at 756. Among mineral producers, CRA rose 6 cents to A$6.18, WMC was up 5 cents to A$4.30 and North Broken Hill rose 3 cents to A$2.70.

Uncertainty about the future of coal contracts with Japan forced the prices of most producers lower with Coal and Allied down 5 cents to A$2.90 and Oakbridge down the same amount to 95 cents.

SOUTH AFRICA

A WIDE CROSS section of stocks followed golds lower in Johannesburg yesterday during sustained yet light selling. The heaviest losers among the golds included Vaal Reefs, which shed 75 cents to R162.50, and Buffelsfontein – a recent favourite among international investors – which eased 50 cents to R81.

CANADA

A BROAD decline in Toronto prices was triggered by a weaker gold sector although base metal mining shares were less affected. Hydrocarbon-related issues underperformed other sectors.

Industrials were the only weak spot in Montreal where banks and papers displayed considerable resilience. Utilities managed modest gains.

EUROPE

Commitment concealed by May Day

LIGHT TRADING volume was in evidence in many European bourses yesterday as investors declined to commit themselves before today's May Day holiday.

In **Frankfurt**, the continuing dispute over the metal and print union demands for a 35-hour working week combined with the dollar's strength against the D-Mark to engender sufficient hesitation to keep most price fluctuations within a narrow band and trim 0.7 off the Commerzbank index to 1,032.1.

The motor sector moved against the trend with Daimler-Benz DM 10.50 stronger to DM 585, a DM 30 rise during April although Mercedes DM 8.50 up to DM 497.50 and BMW DM 8 higher at DM 398, finished the month weaker. VW's profit forecast failed to impress and it finished only 70 pfg higher at DM 199.90.

In stores, Kaufhof advanced DM 4 to DM 250 after higher net profit and dividend for 1983; Karstadt turned DM 1.70 up at DM 267.90 as Horten edged firmed 50 pfg to DM 196.

Markets in Amsterdam, Stockholm and Tokyo were closed for national holidays. Madrid observed its normal Monday closing.

AEG managed a 70 pfg rise to DM 94.80 on improved turnover prospects for its Olympia subsidiary in 1984. Siemens was steady at DM 399.

Schering led cautious pharmaceuticals with a DM 3 rise to DM 350 while steels saw Thyssen slip 50 pfg to DM 84.50 and Hoesch rise DM 1.70 to DM 115.70.

Narrowly mixed banks had Commerzbank DM 1.20 weaker at DM 179 and Dresdner 50 pfg up at DM 177.

Bonds held steady in thin and featureless trading as the Bundesbank bought DM 5.3m of domestic paper after Friday's sale of DM 1m. The central bank also accepted DM 7.5bn in 35-day securities repurchases agreements at a rate of 5.5 per cent.

Georg Fischer's decision to pass its dividend for the third year was reflected in a SwFr 10 fall to SwFr 670.

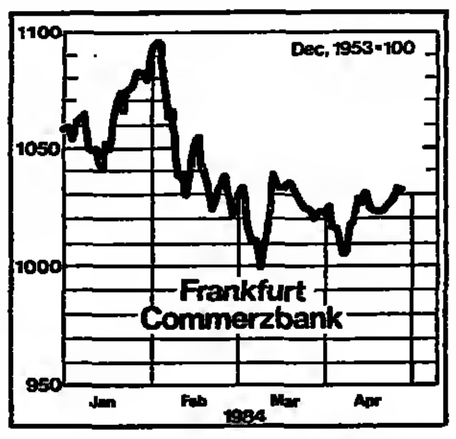
Declines of SwFr 10 were also seen for Bank Leu at SwFr 3,890 after its link-up with Samuel Montagu and for Swissair at SwFr 1,070.

In barely changed banks, Baer Holding rose SwFr 50 to SwFr 6,850 after a SwFr 200 rise in the past two sessions.

Mövenpick continued to recover from last week's lows with a SwFr 25 advance to SwFr 3,775 and Genevoise climbed SwFr 150 to SwFr 4,000.

Bonds were overshadowed by today's holiday and closed quietly steady.

A late rally in **Milan** failed to reverse an earlier decline. The market weakness was attributed to selling pressure on Fiat following suggestions that the car maker may plan a rights issue. Fiat finished L74 off at L4,185 while IFI, the holding company of Fiat, dropped to L5,400, a decline of L115.



Olivetti benefited from a steady slow flow of foreign buying stimulated by reports that it might quote its ordinary shares in the U.S., together with its non-convertible saving shares. It gained L33 to L4,758.

A firmer tone developed in **Brussels** although UCB in chemicals closed unchanged at BFr 5,350 despite its improved 1983 earnings and higher dividend.

Industrial leader Petrofina shed BFr 10 to BFr 7,910 while Delhaize secured a BFr 90 rise to BFr 4,900. Weakness was evident in Sofina which finished BFr 100 off at BFr 6,350.

Slow trading in **Paris** saw isolated gains with bank, food, hotel, electrical and chemical shares benefitting from the session, while building and carmaker stocks finished lower.

Bongrain scored one of the largest gains of the day with a FFr 73 advance to FFr 1,840 while BSN Gervais moved FFr 29 up to FFr 2,740.

The sharply higher dollar and last Friday's lower trend on Wall Street induced caution in **Zurich** with domestic shares closing steady.

Buying interest focussed on select blue chips as Nestlé rose SwFr 15 to SwFr 5,295 and Ciba Geigy found renewed support at SwFr 2,290, also SwFr 15 higher, while Swiss Re gained SwFr 75 to SwFr 8275.

TOKYO

BT sell-off fuels broker competition

THE big four Japanese securities houses – Nomura, Daiwa, Yamaichi and Nikko – are eagerly awaiting selection of a Japanese adviser for the international sale of shares in the privatisation of British Telecom (BT), *writes Shigeo Nishiwaki of Jiji Press.*

The successful contender will receive an enviable boost in international prestige from a role in the new share issue, estimated to be worth about £4bn ($5.88bn).

The Bill authorising the transfer of the state-run BT to private ownership passed Parliament on April 10, but the size and sales procedures for the new company's capital stock have not yet been confirmed. The British Government hopes to start privatisation before the end of the year.

According to international banking officials, 51 per cent of the total issue will be offered as early as this autumn in the UK, U.S. and Japan. Shares worth £400m, about 10 per cent of the total, are expected to be sold in Japan.

Three advisers have already been chosen – Kleinwort Benson for the Government, S.G. Warburg for BT and Morgan Stanley for the U.S. The two British advisers met representatives from the four leading Japanese securities houses yesterday. A decision on which of the four will be appointed as the Japanese adviser will be announced this month.

The four foresee no obstacles to Japanese investment in the British company, given its high international prestige and proven profitability.

Under existing rules, a foreign company applying for listing on the foreign stock exchange of the Tokyo Stock Exchange must have been in existence for five years and have demonstrated annual after-tax earnings of at least Y2bn ($8.8m) in the previous three years.

But the Tokyo stock exchange and the Finance Ministry are said to be willing to bend the rules for BT as authorities believe there is minimal investor risk.

SINGAPORE

PROFIT-TAKING enlivened an otherwise dull session in Singapore yesterday as prices of most leading issues drifted lower. Falls outnumbered gains by two-to-one and turnover plunged from last Friday's level of 11.1m to 6.9m.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅝	11½	AAR	.44	2.2	20	761	19⅞	19½	19⅝	-⅛
52⅝	31½	ACF	1.40	2.7	658	145	52⅝	52½	52⅝	
18⅝	13⅛	AMF	.50	3.1		1303	16⅝	15⅞	16⅛	+⅛
41¾	28	AMR Cp			7	1378	33⅝	33¼	33½	
20¾	17½	AMR	pf2.18	11.		11	19⅛	19½	19⅞	+⅛
41½	29⅝	AMR	pf2.13	6.0		52	35¼	35¼	35¼	
25¼	20	ANR	pf2.67	11		6	23½	23⅛	23½	+⅛
23⅞	19½	ANR	pf2.12	9.9		2	21½	21½	21½	
16⅛	6¾	APL			3	38	10⅜	10⅜	10⅜	+⅛
55¼	40¾	ARA	2.10	4.8	9	118	43⅞	42¾	43½	-⅛
77¼	50¾	ASA	3a	4.7		234	64	63¾	64	-⅓
33¼	17	AVX	.32	1.5	18	1097	21⅝	21	21⅛	-½
53⅞	38¾	AbtLab	1.20	2.7	15	1360	44⅞	43½	44	+⅛
30¼	23¼	AccoWd	.60	2.3	17	10	26⅛	25¾	26⅛	-⅛
27½	19½	AcmeC	.40	1.9		438	22	21	21	-⅛
13	8⅞	AcmeE	.32b	3.2	63	42	10	9⅞	10	+⅛
24⅞	12⅞	AdmDg	.04	.3	8	11	14¼	14¼	14¼	-⅛
18⅞	15⅛	AdaEx	2.11e	13.		76	16⅛	16	16	+⅛
18⅞	11	AdmMl	.28	1.9	6	5	17	16⅞	17	-⅛
22	14½	AdvSys	.81t	5.3	15	28	15½	15¼	15¼	-⅛
16⅞	8⅞	Advest	.12	1.2	12	34	9⅞	9⅞	9⅞	-½
37½	18½	AMD	s		28	4705	34⅞	34⅛	34½	+⅛
24⅞	11⅞	Aerflx	n		12	20	12⅞	12½	12½	
43½	33¼	AetnL1	2.64	7.4	11	562	35⅞	35⅝	35⅞	-⅛
59¼	54⅞	AetL	pf5.28e	9.3		25	56¾	56⅝	56⅝	-½
40½	20	Ahmns	1.20	5.3	6	604	22¾	22½	22⅝	
7⅞	3⅞	Aileen				10	3⅞	3⅞	3⅞	
51	38½	AirPrd	1	2.2	11	362	46½	45⅞	45⅞	
30⅞	16	AirbFrt	.60	3.2	11	101	19	18⅞	18⅞	
3⅞	1⅞	AlMoa	s			15	3¼	3⅛	3¼	
33½	28¼	AlaP	pfA3.92	14		9	28¾	28⅞	28⅞	-⅛
7⅞	6½	AlaP	dpf.87	13.		16	6⅞	6¾	6⅞	+½

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Continued on Page 35

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close	Ch'ge
52⅞	38⅝	Xerox	3 7.4 9	1430	41	40⅛	40½	−⅛
53⅞	47	Xerox	pf5.45 11	1010	49	48½	49	+¾
37	21¼	YTRA	2 6 12	13	24¾	24½	24¾	+¾
34	24	ZaleCp	1.26 4.9 10	74	26	25½	26	+⅜
24⅞	15½	Zapata	.84 3.5 12	625	24½	24¼	24¼	−¼
52¼	31¾	Zayre	s .40b 1.1 10	240	37	36½	36½	
38⅝	18½	ZenithE	12	326	30	29½	29¾	
27⅞	19¼	Zero	s .36 1.8 18	20	20½	20	20½	
37⅞	21¼	Zurnin	1.32 5.4 11	131	24½	24¼	24½	−⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s) b–annual rate of dividend plus stock dividend c–liquidating dividend cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

April 30	Price Sch %	+ or −
Creditanstalt	213	−1
Goesser	325	−1
Interunfall	407	.....
Laenderbank	204	−1
Perlmooser	062	+3
Steyr-Daimler	151	−1
Veitscher Mag	217	.....

BELGIUM/LUXEMBOURG

April 30	Price Frs.	+ or −
ARBED	1,785	+10
Banq Int A Lux	5,000	.....
Bekaert B	3,900	.....
Ciment CBR	2,395	+16
Cockerill	325	+14
Delhaize	4,900	+80
EBES	2,790	+5
Electrobel	6,700	+60
Fabrique Nat	2,245	−5
GB Inno BM	3,260	−40
GBL (Brux)	2,345	−5
Gevaert	3,290	−10
Hoboken	5,480	+10
Intercom	2,105	+5
Kredietbank	7,110	−40
Pan Hldgs	2,840	+50
Petrofina	7,610	−10
Royale Belge	9,000	−70
Soc. Gen. Banq	3,200	−5
Soc. Gen. Belge	1,920	+20
Sofina	6,350	−100
Solvay	4,235	−5
Traction el	3,845	+25
UCB	5,350	.....
Vieille Mont	4,120	.....

DENMARK

Apr. 30	Price Knr %	+ or −
Aarhus Olie	320	.....
Andelsbanken	252	−11
Baltic Skand	635	−5
CopHandelsbank	202	−2
D. Sukkerfab	680	+15
Danske Bank	201	−10
East Asiatic	172	.....
Forenede Brygg.	995	.....
Forenede Damp.	170	.....
GNT Hldg	540	+15
I.S.S.	620	.....
Jyske Bank	570	+30
Novo Ind	2,530	+35
Privatbanken	265	−5
Provinsbanken	250	.....
Smidth (F)	265	.....
Sophus Berend	1,160	.....
Superfos	506	−8

FRANCE

April 30	Price Frs.	+ or −
Emprunt 4½% 1975	1,829	+9
Emprunt 7% 1973	8,640	+20
CNE 3%	3,480	.....
Air Liquide	566	+3
BIC	447	−2.5
Bouygues	740	+1
BSN Gervais	2,740	+28
CIT-Alcatel	1,365	+23
Carrefour	1,908	+19
Club Mediter'n	925	+4
CFAO	683	−1
Cie Bancaire	530	+3
Cofimeg	225	−0.5
Creusot Loire	32	+0.5
Darty	972	+3
Dumez S.A.	743	−32
Eaux (Cie Gen)	573	−1
Elf-Aquitaine	258.4	−0.5
Gen. Occidentale	660	+18
Imetal	84	−1
Lafarge Coppee	383.8	−4.7
L'Oreal	2,630	+41
Legrand	1,915	+2
Maisons Phenix	255	.....
Matra S.A.	1,660	.....
Michelin B	879	+4
Midi (Cie)	1,519	+28
Moet-Hennessy	1,630	.....
Moulinex	103.1	−2.4
Nord Est	51.7	+0.7
Pernod Ricard	800	+13
Perrier	567	+2
Petroles Fra.	255	+1
Peugeot S.A.	239	−0.8
Poclain	44	−0.3
Printemps Au	170	−1.6
Radiotech	319	+3
Redoute	1,300	+5
Roussel-Uclaf	1,190	+32
Schneider S.A.	103	.....
Sefimeg	261	.....
Skis Rossignol	1,405	+5
Telemech Elect.	1,720	+20
Thompson (CSF)	335	+5
Valeo	281	−4.5

GERMANY

Apr. 30	Price Dm.	+ or −
AEG-Telef.	94.8	+0.7
Allianz Vers	768	−1
BASF	108.7	.....
Bayer	172.9	+0.1
Bayer-Hypo	298.0	.....
Bayer-Verein	346	.....
BHF-Bank	283.5	−0.5
BMW	398	+8
Brown Boveri	216.5	−3.5
Commerzbank	179	−1.2
Cont'l. Gummi	135.3	+0.3
Daimler-Benz	585	+10.6
Degussa	400.5xd	+0.5
Demag	146	.....
D'sche Babcock	163	+3.5
Deutsche Bank	381.5xd	.....
Dresdner Bank	177	+0.5
GHH	148.5	−1
Hochtief	510	−3.9
Hoechst	182.6	+0.4
Hoesch Werke	115.7	+1.7
Holzmann (P)	428	.....
Horten	196	+0.6
Kali und Salz	194	−1
Karstadt	267.9	+1.7
Kaufhof	250	+4
KHD	242.5	−0.5
Kloeckner	61.8	−0.7
Krupp	78	.....
Linde	383	.....
Lufthansa	158.1	+0.1
MAN	148.5	−2.5
Mannesmann	143.5	−1.5
Mercedes Hld.	487.5	+6.5
Metallgesell	243	−2
Muench Rueck	1,140	.....
Preussag	274	.....
Rhein West Elect	164.5	+0.3
Rosenthal	228	.....
Schering	350	+3
Siemens	399	.....
Thyssen	84.5	−0.5
Varta	168.5	−1.5
Veba	162.0	−0.4
V.E.W.	121.6	+0.1
Verein-West	301	.....
Volkswagen	169.9	+0.7

ITALY

Apr. 30	Price Lire	+ or −
Banca Com'le	34,750	−200
Bastogi IRBS	145	−1
Centrale	1,650	+20
Credito Varesino	3,850	−5
Fiat	2,530	+35
Finsider	37.2	+0.2
Generali Assicur	36,550	−400
Invest	3,350	−30
Italcementi	48,190	−400
Montedison	213.2	−0.8
Olivetti	4,758	+33
Pirelli Co	3,005	+4
Pirelli Spa	1,270	−20
Snia BPD	1,605	−24
Toro Assic.	12,000	.....
do. Pref.	8,310	−140

NETHERLANDS

April 27	Price Fls	+ or −
ACF Holding	180.0	−2.5
AEGON	127.5	+2.3
Ahold	187.8	−5.4
AKZO	93.0	+0.4
ABN	379.0	+0.5
AMEV	155.6	+0.5
AMRO	68.2	−0.1
Bredero Cert	202	.....
Bos Kalis Westm.	31.1	−0.4
Buehrmann-Tet.	67.0	+0.5
Calland Hldgs	36.5	.....
Credit Lyon'is Bk	57.7	.....
Elsevier-NDU	90.0	+0.2
Gist. Brocades	133.5	+0.3
Heineken	133.2	+0.4
Hoogovens	49.3	−0.8
Hunter Douglas	28.9	+0.1
Int Mueller	33.7	−0.1
KLM	170.0	−0.5
Naarden	38.6	−0.6
Nat Ned Cert	218	+1
Ned. Credit Bank	40	.....
Ned Mid Bank	146.5	−1.5
Nedlloyd	119.5	−0.5
Oce Grinten	239.5	+1.5
Ommeren (Van)	22.7	+0.1
Pakhoed	63.0	+0.8
Philips	44.8	−4.8
Rijn-Schelde	3.4	.....
Robeco	326.2	+1.7
Rodamco	135.1	+0.1
Rolinco	318.2	+1.2
Rorento	203.7	+0.3
Royal Dutch	156.6	−1.5
Unilever	267.3	+0.8
VMF Stork	108	+1
VNU	151.8	+0.6
West Utr Bank	93.3	.....

NORWAY

April 30	Price Kroner	+ or −
Bergen Bank	156	.....
Borregaard	326	+10
Christiania Bk	176	+1
Den Norske Credit	174	−1
Elkem	165	−5
Norsk Data	326	+8.5
Norsk Hydro	490	−12
Storebrand	927	+4.5

SPAIN

April 27	Price Pta %	+ or −
Bco Bilbao	306	+1
Bco Central	312	+3
Bco Exterior	186	.....
Bco Hispano	230	+5
Bco Santander	285	+5
Bco Vizcaya	370	+2
Dragados	136	−3
Hidrola	49.2	−1.7
Iberduero	55	+2.5
Petroleos	112.5	+0.5
Telefonica	22	+0.3

SWEDEN

April 27	Price Kroner	+ or −
AGA	377	+7
Alfa-Laval	279	+2
ASEA (Free)	357	+3
Astra (Free)	510	+5
Atlas Copco	127	+1
Boliden	450	+7
Cardo (Free)	415	+4
Cellulosa	183	−1
Electrolux B	271	+6
Ericsson	326	+4
Esselte	340	.....
Mo Och Domsjo	332	+7
Pharmacia	275	+5
Saab-Scania	400	−4
Sandvik	401	.....
Skandia	400	+7
Skan Enskilda	347	+4
SKF	210	+3
St. Kopparberg	750	+1
Sven Handelsbn	197	+1
Swedish Match	252	+1
Volvo B (Free)	471	+5

SWITZERLAND

April 30	Price Frs.	+ or −
Alusuisse	823	+5
Bank Leu	3,890	−10
Brown Boveri	1,465	.....
Ciba Geigy	2,290	+10
do. (Part Certs)	1,765	+10
Credit Suisse	2,260	−5
Elektrowatt	2,690	.....
Fischer (Geo.)	670	−10
Genevoise	4,000	+150
Hoff-Roche PtCts	104,750	.....
Hoff-Roche 1/10	10,400	−75
Jacobs Suchard	6,700	−125
Jelmoli	1,850	−10
Landis & Gyr	1,440	.....
Nestle	6,295	+15
Oer-Buehrle	1,260	−10
Pirelli	252	+1
Sandoz (Br)	6,750	.....
Sandoz (PtCts)	1,010	−10
Schindler (PtCts)	565	−5
Swissair	1,070	−10
Swiss Bank	344	.....
Swiss Reinsce	8,275	+75
Swiss Volksbk	1,455	−5
Union Bank	3,546	−5
Winterthur	5,005	−6
Zurich Ins	17,900	−25

AUSTRALIA

Apr. 30	Price Aust $	+ or −
ANZ Group	6.68	+0.02
Acrow Aust.	1.6	.....
Alliance Oil D.	0.69	+0.01
Ampol Pet	1.75	.....
Aust Cons Ind	1.88	+0.61
Aust. Guarant	2.8	.....
Aust. Nat. Inds	2.68	+0.03
Aust. Paper	2.01	.....
Bell Group	6.24	+0.04
Bond Corp Hldgs	1.34	.....
Boral	3.8	.....
B'ville Copper	2.55	.....
Brambles Inds	2.95	+0.05
Bridge Oil	2.80	+0.05
BHP	11.35xa	+0.15
CRA	6.16	+0.06
CSR	3.7	.....
Carlton Utd	4.05	−0.15
Castlemaine Tys.	4.63	.....
Coles (G.J.)	3.73	−0.02
Comalco "A"	3.08	.....
Consolidated Pet	0.75	+0.05
Costain Aust.	1.22	+0.02
Dunlop Aust.	1.69	+0.61
E.Z. Inds.	0.46	−0.27
Elders IXL	4.03	−0.01
Energy Res.	1.40	−0.04

AUSTRALIA (continued)

Apr. 27	Price Aust $	+ or −
Gen Prop Trust	2.10	+0.61
Hardie (J.)	3.4	.....
Hartogen Energy	2.75	+0.1
Herald Wkly Times	3.30	+0.65
ICI Aust	2.2	−0.7
Jimb'lana 50cFP	0.3	.....
Kia Ora Gold	0.16	.....
Lend Lease	5.0	+0.01
MIM	3.52	.....
Meekatharra	3.0	+0.02
Myer Emp	1.82	.....
Nat. Com. Bk.	3.6	−0.65
News	10.30	.....
Nicholas Kiwi	1.75	+0.05
North Bkn Hill	2.70	+0.05
Oakbridge	0.25	−0.65
Otter Expl.	0.62	.....
Pancont'l	1.37	.....
Pioneer Conc	1.82	.....
Reckitt & Coln	2.62	−0.65
Repco	1.4	.....
Santos	6.72	+0.02
Smith (H.)	3.67	+0.07
Southland Min'g	0.36	−0.02
Sparges Expl	0.37	+0.02
Thos. Nat'wide	2.62	+0.02
Tooth	5.90	+0.01
Vamgas	3.45	−0.06
Western Mining	4.30	+0.80
Westpac	3.25	−0.05
Woodside Petrol.	1.28	+0.03
Woolworths	2.32	−0.05
Wormald Intl	3.2	.....

HONG KONG

Apr. 30	Price H.K.$	+ or −
Bank East Asia	25	.....
Cheung Kong	2.15	−0.2
China Light	11.5	−0.3
Hang Lung Devel	2.25	.....
Hang Seng Bank	36.25	−0.25
HK Electric	6.0	−0.05
HK Kowloon Wh	5.95	−0.01
HK Land	3.3	−0.1
HK Shanghai Bk	7.9	−0.5
HK Telephone	44.25	+0.25
Hutchison Wpa	17.8	−0.1
Jardine Math	10.8	−0.1
New World Dev	3.50	−0.02
Orient O'seas	2.8	−0.05
O'seas Trust Bk	3.4	.....
SHK Props	7.1	.....
Swire Pac A	16.8	−2.2
Wheel'k Mard A	3.55	−0.02
Whel'k M'time	2.05	.....
World Int Hldgs	2.10	−0.17

JAPAN

April 28	Price Yen	+ or −
Ajinomoto	1,190	.....
Alps Electric	2,520	.....
Amada	1,330	.....
Asahi Chem	604	.....
Asahi Glass	799	.....
Bridgestone	602	.....
Canon	1,340	.....
Casio Comp	1,280	.....
Chugai Pharm	1,070	.....
Citizen	582	.....
Daiei	690	.....
Dai Nippon Ptg	1,100	.....
Daiwa House	471	.....
Ebara	326	.....
Eisai	1,130	.....
Fanuc	9,450	.....
Fuji Bank	1,060	.....
Fuji Film	1,810	.....
Fujisawa	788	.....
Fujitsu	1,300	.....
Green Cross	1,850	.....
Hasegawa	372	.....
Heiwa Real Est.	625	.....
Hitachi	841	.....
Hitachi Credit	1,600	.....
Honda	1,150	.....
House Food	772	.....
Hoya	2,090	.....
Itoh (C)	311	.....
Ito Yokado	2,110	.....
Iwatsu	1,810	.....
JACCS	385	.....
JAL	2,700	.....
Jusco	820	.....
Kajima	297	.....
Kao Soap	800	.....
Kashiyama	616	.....
Kirin	615	.....
Kokuyo	1,070	.....
Komatsu	500	.....
Konishiroku	630	.....
Kubota	310	.....
Kumagai	461	.....
Kyoto Ceramic	5,900	.....
Maeda Const	500	.....
Makino Milling	1,500	.....
Makita	1,050	.....
Marubeni	380	.....
Marudai	648	.....
Marui	1,280	.....
MEI	1,930	.....
M'ta Elec Works	780	.....
M'bishi Bank	1,040	.....
M'bishi Corp	357	.....
M'bishi Elec	430	.....
M'bishi Estate	548	.....

JAPAN (continued)

April 28	Price Yen	+ or −
MHI	253	.....
Mitsui Co	370	.....
Mitsui Estate	750	.....
Mitsukoshi	348	.....
NGK Insulators	807	.....
Nihon Cement	225	.....
Nippon Denso	1,530	.....
Nippon Elect	1,360	.....
Nippon Express	327	.....
Nippon Gakki	025	.....
Nippon Kokan	151	.....
Nippon Oil	1,150	.....
Nippon Seiko	025	.....
Nippon Shimpan	645	.....
Nippon Steel	179	.....
Nippon Suisan	350	.....
NTV	13,510	.....
Nippon Yusen	242	.....
Nissan Motor	064	.....
Nisshin Flour	425	.....
Nisshin Steel	214	.....
Nomura	860	.....
Olympus	880	.....
Omron Tateisi	2,320	.....
Orient Leasing	4,000	.....
Pioneer	2,690	.....
Renown	668	.....
Ricoh	1,080	.....
Sankyo	708	.....
Sanyo Elect.	521	.....
Sapporo	445	.....
Sekisui Prefab	573	.....
Seven-Eleven	8,800	.....
Sharp	1,230	.....
Shimadzu	599	.....
Shionogi	014	.....
Shiseido	1,100	.....
Sony	3,650	.....
Stanley	798	.....
S'tomo Bank	1,170	.....
S'tome Elect	912	.....
S'tomo Marine	525	.....
S'tome Metal	178	.....
Taihei Dengyo	600	.....
Taisei Corp	214	.....
Taisho Pharm	1,030	.....
Takeda	711	.....
TDK	5,900	.....
Teijin	439	.....
Teikoku Oil	705	.....
Tokyo Marine	665	.....
TBS	295	.....
Tokyo Elect Pwr.	1,220	.....
Tokyo Gas	170	.....
Tokyo Sanyo	840	.....
Tokyo Style	761	.....
Tokyu Corp	331	.....
Toppan Print	819	.....
Toray	498	.....
Toshiba Elect.	425	.....
TOTO	635	.....
Toyo Seikan	810	.....
Toyota Motor	1,380	.....
Victor	2,800	.....
Wacoal	790	.....
Yamaha	519	.....
Yamanouchi	1,370	.....
Yamazaki	725	.....
Yasuda Fire	348	.....
Yokogawa Bdge.	413	.....

SINGAPORE

Apr. 30	Price $	+ or −
Boustead Hldgs.	2.56	−0.03
Cold Storage	4.12	−0.02
DBS	10.0	.....
Fraser & Neave	0.1	−0.05
Genting	5.4	−0.1
Haw Par. Bros	2.59	−0.01
Inchcape Bhd.	2.97	−0.01
Keppel Shipyard	3.08	−0.02
Malay Banking	10.1	.....
Malay Brew.	6.8	.....
Multi Purpose	1.92	−0.04
OCBC	10.5	.....
OUB	4.34	−0.1
Sime Darby	2.46	−0.18
Straits S'mship.	1.58	−0.01
Straits Trdg.	5.8	−0.05
UOB	5.4	.....

SOUTH AFRICA

Apr. 30	Price Rand	+ or −
Abercom	2.3	−0.05
AE & CI	9.0	.....
Anglo Am Coal	30	.....
Anglo Am Corp	24.1	−0.4
Anglo Am Gold	152	.....
Barclays Bank	22.25	+1.25
Barlow Rand	14.7	−0.05
Buffels	81	−0.5
CNA Gallo	3.6	+0.2
Currie Finance	5.5	.....
De Beers	9.43	−0.04
Driefontein	47.25	−0.5
FS Geduld	52.0	−0.5
Gold Fields S.A.	29.5	−0.25
Highveld Steel	6	.....
Nedbank	16.8	−0.2
OK Bazaars	18.5	−0.25
Protea Hldgs	2.9	.....
Rembrandt	26	.....
Rennies	14.6	.....
Rust. Plat	15.1	−0.15
Sage Hldgs	8.3	+0.05
SA Brews	7.75	.....
Smith (C.G.)	26.25	.....
Tongaat Huletts	11.7	.....
Unisec	5.7	.....

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ≠ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 2.30 pm April 30

Sales	Stock	High	Low	Close	Chng
100	Celanese	$8⅝	8⅝	8⅝	−⅛
700	C Dist A	$6	6	6	−¼
200	CDist B f	$6⅞	6⅞	6⅞	−⅛
1150	CTL Bank	$11¼	11	11	−¼
6135	Conventrs	395	380	380	−15
3000	Coseka R	370	365	365	−10
500	Conron A	$13½	13½	13½	−⅛
800	Indal	$11⅞	11⅞	11⅞	+⅛
100	Inglis	$48½	48½	48½	
4180	Inland Gas	$14¼	14¼	14¼	−⅛
3013	Inter Pipe	$26¼	26	26	−¼
200	Inv GrA f	$46½	46½	46½	
800	Ipsco B	$18¼	18¼	18¼	+⅛
675	Jannock	$12¼	12	12¼	+½
560	Roman	$15½	15¼	15¼	−⅛
3000	Sceptre	$5¼	5¼	5¼	
100	Scotts f	$12½	12½	12½	
6850	Shell Can	$25¼	25⅛	25⅛	−⅛
3820	Sherritt	$9	8¾	9	
2850	SSears A f	$8¼	8¼	8¼	−⅛
1800	Southm	$49½	49½	49½	−½

[illegible]

Total sales: 3,804,272 shares

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

[illegible]

OVER-THE-COUNTER Nasdaq national market, 3pm prices

[illegible]

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

Acsis Jewellery	28	+ 5
C. H. Industrials	48½	+ 3½
Courtaulds	158	+ 5
Finlan (J)	203	+ 16
Foseco Minsep	197	+ 9
Garfunkels	290	+ 30
Gieves Group	133	+ 11
Group Lotus Car	67	+ 8
Imperial Group	155	+ 7
Martin Newsa	232	+ 49
Menzies (John)	378	+ 25
Metal Box	378	+ 12
NSS Newsag	92	+ 10
Pentland Inds	103	+ 8
Porter Chadburn	130	+ 11
Swire Prop	69½	+ 9½
Vosper	223	+ 28
Anvil Pet	90	+ 17
Aran Energy	72	+ 9
Atlantic Res	78	+ 14
Bryson Oil & Gas	565	+ 85
Eglinton Oil Gas	230	+ 67
Invent Energy	353	+ 38
Gopeng Berhad	275	+ 45

FALLS

Tr 9½pc Cnv. 1988	£96⅝	− ¾
Burnett & Hall	170	− 20
Sebre Pacific A	153	− 14
Brunswick Oil	30	− 8
Clyde Pet	143	− 7
Gaelic Oil	20	− 15

Continued on Page 44

Indices

NEW YORK – DOW JONES

[illegible]

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

LONDON STOCK EXCHANGE

MARKET REPORT

Equity index attains new peak but emphasis switches to secondary issues—Gilts dull

Account Dealing Dates

Option *First Declara- Dealings	Last tions	Account Dealings	Day
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21
May 14	May 31	June 1	June 11

* "New-time" dealings may take place from 9.30 am two business days earlier.

The first leg of the current two-week trading Account in equity markets began on a rather quiet note yesterday. The majority of leading shares took a back seat after the post-Easter holiday surge which took the Financial Times Industrial Ordinary share index up 28 points in only four trading sessions to a record 908.0. Nevertheless, secondary issues encountered selective support and contributed to a firm overall performance.

Last Friday's reaction on Wall Street appeared to dampen fresh enthusiasm for blue chips, but quotations rarely strayed from previous closing levels. This was well illustrated by the FT Industrial Ordinary share index which recorded a rise fo 0.6 at the first calculation and drifted back to show a loss of 0.4 at 1.00 pm before closing 2.1 up on balance at a new peak of 910.1.

BOC Group, up 10 at 302p, following weekend Press mention ahead of the interim figures due next week, provided one of the few noteworthy movements among the index constituents. Marks and Spencer, a few pence dearer at 261p, continued to trade firmly awaiting today's preliminary results.

Elsewhere, newspaper comment was also responsible for many of the features among the sectors. Secondary Oils encountered a fair measure of speculative support on exploration hopes, while Newsagents were enlivened by the bid approach to Martin The Newsagent.

Unsettled by last Friday's announcement of fresh Government funding by way of £1bn of Treasury 9½ per cent Convertible tap stock and by further weakness in sterling against the U.S. dollar yesterday, Gilt-edged securities ran into early selling. Most quotations closed a fraction above the worst but losses still ranged to ¼ and occasionally more among the longs. Falls in the shorts were usually limited to around ⅛, but Treasury 9½ per cent Convertible 1988 dipped ⅞ to 96⅜. The "after-hours" announcement of the March trade figures made little impact.

Guinnes Peat up again

Still drawing strength from Friday's late announcement that its Guinness Mahon subsidiary is to acquire a 29.9 per cent stake in stockjobbing concern, White and Cheesman, Guinness Peat gained 2 more for a two-day rise of 8 at 65p. Elsewhere in the banking sector, features were scarce. Revived speculative buying lifted old bid favourite, First National Finance Corporation 2½ to 76½p. A strong market last week on hopes that the Government will soon give the go-ahead for Lloyds to launch a fullscale offer for the group, Royal Bank of Scotland succumbed yesterday to profit-taking in the absence of any such developments and closed 4 down at 242p.

Life issues provided the major movements in Insurances. Refuge jumped 20 afresh to 485p following renewed support in a thin market.

Both newcomers to the Unlisted Securities Market made successful debuts. William Morris Fine Arts, opened at 17½p and touched 18p before settling at 17p compared with the placing price of 10p. Unit trust portfolio advisers Plun Invest, placed at 62½p, opened at 80p and closed at 78p. Among other recently-issued equities, Petranol advanced 38 more to 378p on Texas exploration hopes.

Demand for Breweries subsided but most held close to pre-weekend levels. A noteworthy exception was provided by East Anglian concern Greene King which responded to "call" option business and rose 10 to record a two-day advance of 20 at 182p.

Leading Building Material issues, buoyant last week following favourable trading statements from Blue Circle and RMC, took a breather. Tarmac, with annual *results* scheduled for today, softened a couple of pence to 524p. Elsewhere, Barratt Developments remained a sensitive market and lost 4 to 128p, while Burnett and Hallamshire shed 20 to 170p following adverse Press comment on the group's Californian property operations. Buying in front of today's annual results left French Kier 4 dearer at 152p, while revived speculative demand ahead of Thursday's preliminary statement lifted John Finlan 16 to 203p. Henderson found support and rose 15 to 235p and Countryside firmed 6 to 236p. Whatlings were quoted at 90p ex rights; the new nil-paid shares opened at 19p premium and moved up to 22p premium.

A strong market last week following the near-doubled first-quarter profits, ICI slipped 4 to 626p in the absence of fresh demand.

Newsagents buoyant

Proceedings in Stores were dominated by Newsagents. Martin, which only last Thursday denied any knowledge of reasons to account for the recent strength of its shares, spurted 49 to 252p following a bid approach; market sources suggest Arthur Guinness, Harris Queensway or Mr Gerald Ronson's Heron as possible suitors. John Menzies were also lively and advanced 25 to 378p following the proposed 100 per cent scrip issue and increased annual profits and dividend. NSS, due to announce interim figures later this month, improved 10 to 92p.

FINANCIAL TIMES STOCK INDICES

	April 30	April 27	April 26	April 25	April 24	April 19	year ago
Government Secs	81.60	81.99	82.07	82.02	81.86	81.68	81.73
Fixed Interest	85.80	86.24	86.30	86.27	86.36	86.51	85.64
Industrial Ord.	910.1	908.0	899.1	887.6	876.2	880.0	692.1
Gold Mines	676.6	684.4	693.9	688.0	686.1	683.2	632.0
Ord. Div. Yield	4.25	4.26	4.29	4.33	4.38	4.36	4.52
Earnings, Yld. % (full)	9.82	9.78	9.87	9.99	10.09	9.97	9.10
P/E Ratio (net) (*)	12.29	12.34	12.25	12.09	11.96	12.11	15.54
Total bargains (Est.)	21,502	21,016	20,045	20,074	20,090	22,277	18,556
Equity turnover £m.	-	335.58	344.25	219.80	183.48	253.56	214.86
Equity bargains	-	23,565	20,505	16,118	14,549	16,627	21,628
Shares traded (ml)	-	183.9	230.7	124.5	105.2	136.1	132.9

10 am 908.6. 11 am 908.2. Noon 908.4. 1 pm 907.6. 2 pm 908.2. 3 pm 908.0.

Basis 100 Govt. Secs. 8/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=11.72.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (3/1)	81.60 (30/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	85.80 (30/4)	155.4 (28/11/47)	50.03 (3/1/75)
Ind. Ord.	910.1 (30/4)	770.3 (4/1)	910.1 (30/4/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	520.2 (17/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 27	April 26
—Daily Gilt Edged Bargains	119.4	126.6
Equities Bargains	152.7	132.9
Value	678.3	697.2
5-day Average Gilt Edged Bargains	126.1	128.3
Equities Bargains	118.4	110.6
Value	540.1	533.9

Elsewhere in Stores, Jewellers returned to favour with Acsis closing 5 up at 26p in front of tomorrow's annual results. Northern Goldsmiths, preliminary results today, added 6 at 214p. Marks and Spencer, expected to announce annual pre-tax profits of around £280m today, firmed 3 more to 261p.

Secondary issues provided the major focal points in Electricals. Demand in anticipation of today's preliminary results helped First Castle advance 13 to 135p, while CASE jumped 40 to 830p in response to Press comment. George H. Scholes found support at 358p, up 13 and Sound Diffusion revived with an improvement of 6 at 149p. Press suggestions of an imminent rights issue left Amstrad 6 lower at 118p. BSR declined 8 to 275p. The leaders drifted lower on lack of support. Unsettled last week by reports of a broker's downgraded profits forecast, Thorn EMI relinquished 5 afresh to 630p.

Vosper stood out among Engineerings, rising 28 to 223p in response to an investment recommendation; the advance was also accompanied by vague rumours that the company is currently in negotiations aimed at restructuring its operations. Porter Chadburn advanced 11 to 130p on speculative buying ahead of the results scheduled for May 10 and United Wire hardened a penny to 102p ahead of Thursday's interim figures. Manganese Bronze improved 3 to 53p and S. W. Wood 4 to 23p but Edbro gave up 4 to 118p. Richardson Westgarth touched 27p before closing only a fraction cheaper at 28½p following news of the Boardroom rift. Vickers, a further 3 dearer at 175p, continued to benefit from the chairman's confident statement at last week's AGM.

Rowntree Mackintosh, the subject of considerable speculative activity recently on takeover hopes, traded on a quieter note and slipped to 280p prior to closing a couple of pence cheaper at 282p. Other leading Food issues displayed occasional gains.

Hotels and Caterers again featured Garfunkels which attracted good support and rose 30 more to 290p; the new nil paid shares advanced the same amount to 90p premium.

Boc rise

BOC featured among the Miscellaneous Industrial leaders, rising 10 to 302p following comment ahead of the interim results scheduled for May 10. Metal Box also made a firm showing at 376p, up 12, while BTR rose 8 to 490p. Elsewhere, Foseco Minsep reflected the better-than-expected annual profits with a jump of 9 at 197p, after 199p, while the good results and a proposed 25 per cent scrip issue helped Pentland firm 8 to 103p. Awaiting today's annual figures, Davies and Newman put on 7 to 184p. Gieves advanced *11 to 133p following speculative* buying. Press-inspired gains of between 5 and 8 were recorded in C. H. Industrials, 48½p, Thomas Marshall and Loxley, 46p, and Spring Ram, 193p.

Among Leisure issues, Trident TV "A" put on 5 to 139p on revived bid hopes.

The enthusiastic response to the new Montego saloon, particularly from the important fleet sector, lifted BL 5 more to 76p. Major suppliers Lucas firmed a few pence to 232p, while Dunlop, buoyed by Press-inspired recovery hopes, finished 3 better at 42p. Kwik-Fit revealed a 55 per cent expansion in preliminary profits and also rose 3, to 47p. Elsewhere in Motors, Lotus provided a late feature, rising 6 to 67p in belated response to weekend comment. Coleman Milne firmed a penny to 60p xd following the exchange of shares with Henlys, unchanged at 120p; CM now controls almost 25 per cent of Henlys. Dealings in Glanfield Lawrence were suspended at 54½p pending reorganisation details.

Already a few pence firmer on scattered support, leading Properties were given a further modest boost by Hammerson's satisfactory annual results and proposed 100 per cent scrip issue. Hammerson "A" closed 10 higher at 855p. Land Securities improved 4 to 287p and MEPC added a couple of pence to 304p. Sterling Guarantee firmed 1½ to 52½p; the annual results are due soon. C. H. Beazer attracted fresh support and firmed 6 to a 1984 peak of 390p, while USM-quoted New England Properties put on 4 to 36p. New Cavendish Estates rose 8 to 85p following U.S. acquisition news. Elsewhere, Swire Properties jumped 9½ to 69½p following Swire Pacific's agreed offer for the outstanding shares; Swire Pacific shed 14 to 153p.

Shippings featured revived demand for Common Brothers which, with the aid of favourable comment, improved 13 to a 1984 peak of 155p.

Textiles attracted steady support and closed around the day's best. Courtaulds rose 5 to 159p; the annual results are expected later this month. Dawson, 215p, and Nottingham Manufacturing, 278p, firmed 5 and 4 respectively, while British Mohair remained in demand and advanced 7 for a two-day gain of 10 at 95p.

A bullish review of the sector by brokers De Zoete and Bevan stimulated fresh support of Tobaccos. Bats, additionally buoyed by the prospect of the flotation of Grovewood Securities, closed 8 dearer at 246p, while Rothmans added 4 at 145p. Imps rose 7 to 155p after acquisition news.

Bryson race ahead

Among Financials, Ireland's Silvermines attracted early support after weekend comment and touched 141p but succumbed to selling following disappointment with the merely maintained annual dividend that accompanied the sizeable profits increase and settled only 4 firmer on balance at 132p.

Irish-domiciled exploration issues held centre-stage in an otherwise relatively subdued oils sector.

The recent speculative buying in Eglinton Oil and Bryson Oil and Gas, both of which are currently involved in oil exploration drilling in Columbia, increased considerably. Bryson, up 120 over the previous three trading days, jumped 93 to a 1984 high of 565p while Eglinton surged ahead to close 67 to the good at 230p—a rise of 97 over the last three trading sessions. Aran Energy, which last week commenced an oil exploration programme in Ireland, advanced 9 to 72p, while Atlantic Resources raced ahead to close 14 higher at 78p. Invent Energy added 23 at 363p.

In sharp contrast Gaelic Oil collapsed 15 to 20p in the wake of the takeover bid from Bula, which held around 27p; the share exchange offer—five Bula ordinary shares for every seven Gaelic Oil—values the latter at just below 20p a share.

Leading domestic issues moved narrowly. Shell were unaltered on balance at 553p following the increase in fore-court petroleum products.

Second-line oils showed Saxon Oil a fraction harder at a year's best of 412p reflecting Press comment, while Clyde Petroleum gave up 7 to 143p owing to profit-taking.

Golds lower

Another strong performance by the dollar prompted a $2.5 fall to $375.5 an ounce in the bullion price and led to a further decline in South African Golds.

The latter opened lower and continued to lose ground throughout the morning before steadying around midday owing to modest support from the Continent. However, this was short-lived and prices fell afresh to close at, or around the day's lowest levels.

The Gold Mines index fell 7.8 more to 676.6, a two-day decline of 17.3.

Among the heavyweights President Steyn were a weak market and closed £1¼ off at £39¾, while falls in the region of a half-point were common to Buffels, £46¼, Kloof, £37, and President Brand, £33.

Hartebeest moved against the general trend and edged up ⅞ to a 1984 high of £60½ ahead of the proposed share-split.

Cheaper priced issues usually gave ground but provided a firm feature in Consolidated Modderfontein, which continued to attract persistent local and Johannesburg support and closed 8 firmer at a year's best of 478p.

Lack of interest left the majority of Financials with widespread although generally modest falls. "Amgold" were almost £2 cheaper at £85¼, while Gencor gave up ½ to £16¼ ex-rights. Coal producers showed Transvaal Consolidated Land ½ to the good at a 1984 high of £33½ in front of the interim report due on Friday, but "Amcoal," scheduled to announce preliminary results in the middle of the month, dipped a similar amount to £16⅞.

Clydesdale (Transvaal) Collieries were suspended at the outset of trading, pending an announcement, following a similar move on the Johannesburg Stock Exchange. Prior to the suspension the shares were changing hands around the 700p mark.

CRA featured a marginally firmer Australians sector the shares adding 6 at a year's high of 402p in the wake of good institutional support in overnight Sydney and Melbourne markets.

The recent strong showing by Malaysian Tins prompted a 45 jump to a 1984 high of 275p in Gopeng Berhad; the company recently transferred its domicile to Kuala Lumpur. Kamunting rose 10 to 275p. Elsewhere, South Africa's Consolidated Murchison dropped 40 to 900p following profit-taking.

Quieter conditions prevailed in Traded Options with 3,063 contracts done. Tesco encountered useful demand after a weekend Press tip and recorded 408 calls, while Courtaulds attracted 382 calls with 120 struck in the July 130s. Imperial Group recorded 197 calls, 118 in the May 140s which closed 5 up at 15p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	3	85	17
Corpns. Dom. & Foreign Bonds	8	22	52
Industrials	390	240	781
Financial & Props.	113	69	320
Oils	39	16	65
Plantations	6	1	15
Mines	40	56	79
Others	76	62	77
Totals	673	570	1,406

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Mon April 30 1984

Figures in parentheses show number of stocks per section

	Index No.	Day's Change %
1 CAPITAL GOODS (202)	529.37	-0.3
2 Building Materials (24)	535.44	-0.4
3 Contracting, Construction (32)	756.81	-0.7
4 Electricals (14)	1750.57	-0.2
5 Electronics (37)	1799.26	-0.4
6 Mechanical Engineering (62)	252.67	-0.3
8 Metals and Metal Forming (9)	197.57	-0.6
9 Motors (17)	145.32	-0.9
10 Other Industrial Materials (17)	706.66	+1.4
21 CONSUMER GROUP (195)	543.25	+0.4
22 Brewers and Distillers (23)	581.31	+0.3
25 Food Manufacturing (22)	407.22	-0.3
26 Food Retailing (12)	1212.18	+0.2
27 Health and Household Products (9)	826.10	-0.8
29 Leisure (22)	692.40	-0.1
31 Newspapers, Publishing (14)	1378.71	[illegible]
32 Packaging and Paper (15)	259.37	[illegible]
34 Stores (47)	492.82	+0.6
35 Textiles (20)	314.41	+0.8
36 Tobaccos (3)	441.10	+3.6
39 Other Consumer (8)	495.63	+0.2
41 OTHER GROUPS (88)	463.06	[illegible]
42 Chemicals (18)	442.45	+0.2
44 Office Equipment (5)	134.55	-0.5
45 Shipping and Transport (14)	918.35	[illegible]
46 Miscellaneous (51)	582.45	[illegible]
49 INDUSTRIAL GROUP (485)	531.83	+0.1
51 Oils (15)	1147.68	-0.3
59 500 SHARE INDEX	583.43	+0.1
61 FINANCIAL GROUP (120)	391.58	-0.1
62 Banks (6)	402.30	[illegible]
63 Discount Houses (7)	464.99	-0.7
65 Insurance (Life) (9)	488.11	-0.7
66 Insurance (Composite) (9)	463.23	-0.2
67 Insurance (Brokers) (6)	775.18	-0.6
68 Merchant Banks (12)	243.06	[illegible]
69 Property (53)	584.63	+0.8
70 Other Financial (18)	261.48	-0.6
71 Investment Trusts (106)	518.31	-0.3
81 Mining Finance (4)	316.70	-0.7
91 Overseas Traders (12)	573.42	-0.3
99 ALL-SHARE INDEX (746)	534.84	[illegible]

FIXED INTEREST

PRICE INDICES	Mon April 30	Day's change %	Fri April 27	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	117.79	-0.23	118.06	—	4.10
2 5-15 years	130.15	-0.37	130.62	—	4.71
3 Over 15 years	138.80	-0.42	139.39	—	4.34
4 Irredeemables	147.81	-0.86	149.09	—	6.07
5 All stocks	128.93	-0.34	129.36	—	4.47
6 Debentures & Loans	108.72	+0.03	108.69	0.39	3.62
7 Preference	78.49	+0.34	78.31	0.08	2.43

AVERAGE GROSS REDEMPTION YIELDS		Mon April 30	Fri April 27	Year ago (approx.)
British Government				
1 Low	5 years	10.35	10.25	9.30
2 Coupons	15 years	10.37	10.31	10.39
3	25 years	9.92	9.85	9.97
4 Medium	5 years	10.94	10.84	11.17
5 Coupons	15 years	10.84	10.78	10.87
6	25 years	10.25	10.17	10.29
7 High	5 years	11.04	10.95	11.45
8 Coupons	15 years	11.01	10.94	11.04
9	25 years	10.34	10.26	10.45
10 Irredeemables		9.85	9.76	9.94
11 Debs & Loans	5 years	11.50	11.44	12.16
12	15 years	11.49	11.43	12.13
13	25 years	11.48	11.43	12.05
14 Preference		12.54	12.54	12.25

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ‡ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖ Introduction. ◆ Unlisted Securities Market. § Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. ‡ Each unit comprises 5 shares and 1 warrant.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 8	May 18	Aug 9	Aug 20
May 21	June 8	Aug 30	Sept 10
June 11	June 22	Sept 13	Sept 24

For rate indications see end of Share Information Service

Call options were arranged in Intervision, Barker and Dobson, Polly Peck, Grindlays, Eglinton Oil and Gas, Bryson, Brooke Bond, Breugreen, I. and J. Hyman, Grovebell, Clyde Petroleum, King, Atlantic Resources, Berkeley and Hay Hill, Amour Trust and Lennons. Puts were struck in AE and Central and Sheerwood, while a double was transacted in Rayheck.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (133)

CORPORATION LOANS (1), AMERICANS (4), BANKS (4), BREWERS (5), BUILDINGS (8), CHEMICALS (3), STORES (7), ELECTRICALS (11), ENGINEERING (9), FOODS (6), HOTELS (5), INDUSTRIALS (15), INSURANCE (2), LEISURE (1), MOTORS (5), NEWSPAPERS (3), PAPER (1), PROPERTY (13), SHIPPING (1), TEXTILES (4), TOBACCOS (3), TRUSTS (7), OILS (4), MINES (4)

NEW LOWS (19)

BRITISH FUNDS (2) Exch 10pc '89 A, War Loan 3½pc, Exch 11pc 1991; AMERICANS (3) Browning-Ferris; CANADIANS (1) Hudson's Bay; ENGINEERING (1) Oakes Gowerton; INDUSTRIALS (6) AGI, Kalamazoo, Dom Hldgs, Martin-Black, Fogarty Geld, Office & Elect.; MOTORS (2) Perry (H.); PROPERTY (1) Sarakreek; TRUSTS (2) Atlanta Inv, Mercantile House; OILS (1) Gaelic Oil; MINES (1) Hampton N W

FT-SE 100 INDEX

Close 1138.3 (+0.1)
Day's high 1138.3 (5.03 pm)
Day's low 1134.5 (11.40 am)
Base value = 1000 December 30 1983

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

[illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

[illegible]

LONDON TRADED OPTIONS

[illegible]

Apr 30 Total Contracts 3,063 Calls 2,417 Puts 646
*Underlying security price.

MONTHLY AVERAGES OF STOCK INDICES

	April	March	Feb.	Jan.
Financial Times				
Government Securities	82.30	83.21	82.74	85.15
Fixed Interest	86.59	86.98	87.03	87.13
Industrial Ordinary	881.1	866.4	813.6	810.6
Gold Mines	670.2	681.2	616.4	541.9
Dealing Bargains	25,407	26,010	24,561	26,049
F.T.—Actuaries				
Industrial Group	516.71	510.25	478.85	482.25
500 Share	568.56	557.43	524.71	525.31
Financial Group	389.66	386.49	381.49	385.02
All-Share	524.38	515.19	490.70	491.58
FT SE 100	1112.0	1091.5	1036.2	1044.1

	April High	April Low
Industrial Ordinary	910.1 30th	857.8 4th
All-Share	534.84 30th	516.20 4th
FT SE 100	1138.3 30th	1093.6 4th

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	1984 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
99	91¼	Exch. 3pc 1984	99	.....	3.03	9.06
101	101	Treas. 12pc 1984	101	–	11.84	8.82
105⅝	104	Treas. 15pc 1985	104	–	14.38	9.21
102¼	102¼	Exch. 12pc Cnv '85	102¼	–⅛	11.74	9.26
95⅛	93⅝	Treas. 3pc 1985	95 xd	.....	3.15	7.73
102⅝	101	Treas. 11½pc 1985	102⅛	–	11.26	9.55
99¾	98¼	Treas. 8¼pc Cnv '85	98¼	–	8.85	9.70
104	102	Exch. 12¼pc 1985	103¼ xd	–¼	11.85	9.86
103	102⅛	Exch. 11¾pc '86	103	–	11.41	9.86
102	100	Treas. 10pc Cnv 1986	100	–	9.98	9.88
90¼	88¾	Treas. 3pc 1986	89 xd	–	3.36	8.82
102	100⅝	Exch. 10½pc Cv. '86	100⅝ xd	–⅛	10.43	10.17
104	102½	Treas. 12pc 1986	103¼	–¼	11.62	10.21
98¾	97⅛	Treas. 8¾pc 1984-86‡‡	97⅛	–	8.75	9.97
100	107	Exch. 14pc 1986	107 xd	–⅛	12.98	10.33
87⅛	85	Exch. 2½pc 1986	86 xd	.....	2.90	8.57
101	106	Exch. 13¼pc 1987	106	–	12.45	10.43
100⅛	98	Treas. 10¼pc Cv. '87	99⅝	–⅛	10.31	10.47
86⅛	83	Exch. 2½pc 1987	84¼	.....	2.97	8.93
101	95⅛	Exch. 10½pc 1987	97⅞	–	10.51	10.54
92	90	Funding 6½pc '85-87‡‡	91 xd	–	7.14	10.05
99⅝	97	Treas. 10pc 1987	98¼	–⅛	10.18	10.65
85	82¼	Treas. 3pc 1987	82⅞	–¼	3.62	9.30
105	103	Treas. 12pc 1987	103¾ xd	–⅛	11.57	10.68
94⅝	92	Treas. 7¾pc 1985-88‡‡	92⅝	–¼	8.37	10.15
100¼	99	Exch. 10½pc '88	99 xd	–	10.57	10.68
98	96⅝	Treas. 9¾pc Cv '88	96⅝	–	10.09	10.77
82	78⅝	Transport 3pc '78-88	78⅝	–⅛	3.82	9.36
96	94	Treas. 9½pc '88	95 xd	–	9.95	10.80
106¼	100⅝	Treas. 11½pc 1989	102⅞	–⅛	11.18	10.69
		Treas. 9½pc Cv 5% (£50pd)	£95½	.....	9.95	10.70

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING ADVERTISING

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLANTATIONS

Rubbers, Palm Oil

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Teas

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Central African

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

Australians

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
18	15	ACM 20c	15½	+½	—	—	—
38	28	Allstate Expl'n. NL	29	+1	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Miscellaneous

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
718	543	RTZ	655	–5	18.0	[illegible]	4.0
£155½	£130	Do. 9½pcLn '95-2000	£149	[illegible]	Q9½%	—	6.5
110	75	Sabina Inds C$1	75	–5	—	—	—
£11¼	950	Tara Expln $1	£10	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net Dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" Distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✝ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ⇉ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ø No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on Dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed Dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated Dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on propectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. N Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	82	......	Fin. 13% 97/02	£92¾	......
Craig & Rose £1	800	......	Alliance Gas	70	......
Finlay Pkg. 5p	52xd	–2	Arnott	235	......
Higsons Brew	103	......	CPI Hldgs	84	......
Holt (Jos) 25p	880	......	Carroll Inds.	118	......
IoM Stm. £1	149	+1	Hall (R. & H.)	60xd	+2
			Heiton Hldgs.	19	......
IRISH			Irish Ropes	40	......
			Jacob (W. & R.)	62xd	–4
Exch. 12% 1985	£98⅞	......	TMG	50	......
Nat. 9¾% 84/89	£88	......	Unidare	75	......

OPTIONS — 3-month call rates

Industrials		Hawker Sidd	38	Vickers	14
Allied-Lyons	15	Hse of Fraser	26	Woolworth Hldg.	58
BOC Grp	27	ICI	62		
BSR	26	'Imps'	12	**Property**	
Babcock	17	ICL	7½	Brit Land	11
Barclays Bank	45	Ladbroke	23	Cap Counties	16
Beecham	32	Legal & Gen	45	Land Secs	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	'Lofs'	3	Samuel Props.	12
Brit Aerospace	20	Lucas Inds	18	Sterling Guar.	4
BAT	35	'Mams'	14		
Brown (J.)	3	Marks & Spcr	20	**Oils**	
Burton Ord	22	Midland Bk	36	Brit. Oil & Min.	9
Cadburys	11	NEI	10	Brit Petroleum	35
Comm Union	16	Nat West Bk	60	Burmah Oil	17
Courtaulds	11	P & O Dfd	25	Charterhall	9
Debenhams	14	Plessey	20	Premier	6
Distillers	22	Racal Elect	18	Shell	55
Dunlop	5	RHM	8	Tricentrol	20
FNFC	6½	Rank Org Ord	24	Ultramar	60
Gen Accident	42	Reed Intnl	40		
Gen Electric	16	Sears	8	**Mines**	
Glaxo	70	TI	22	Charter Cons	24
Grand Met	30	Tesco	16	Cons Gold	58
GUS 'A'	55	Thorn EMI	55	Lonrho	12
Guardian	50	Trust Houses	18	Rio T Zinc	60
GKN	20	Turner Newall	10		
Hanson Tst	17p	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

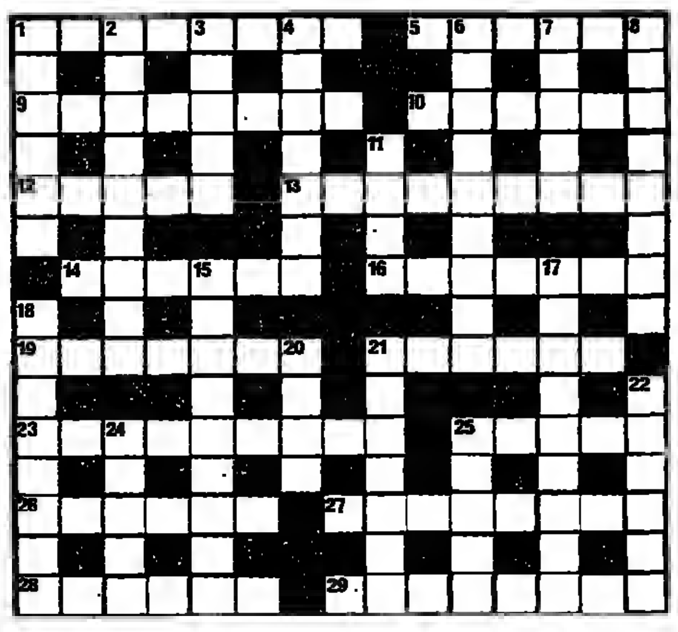
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,405



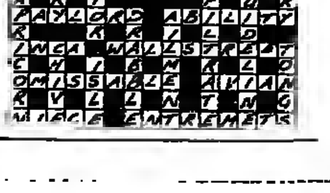
ACROSS

1 Out to the opening ball from a spin-bowler (3-5)
5 U.S. state taking a right from another (6)
9 Publicly accuse a stupid person holding one back (8)
10 Put on a ship taking back a native of Australia (6)
12 Ridiculed a conductor, we hear (5)
13 Sly junior employee (9)
14 A professional apt to benefit (6)
16 Four make an appearance in a trial of no importance (7)
19 New name given to one flower (7)
21 Scandinavian article in plate (6)
23 They cater for a private reception (9)
25 Coming back, encountered very good times (5)
26 Depression that shows in your face (6)
27 Glaring example of fabulous killer (6)
28 Put up some opposition to Sister's new order (6)
29 Saw, perhaps, but angry and pretended not to see (5-3)

DOWN

1 Gaoled after a disturbance, in which one should know better! (3, 3)
2 Lacking the imagination to fall in love? (5-4)
3 Plump for some drinks (5)
4 Tale a hundred tell (7)
6 A declaration of treason is (9)
7 So American a composer (5)
8 Surely and firmly, the lady ties a knot (8)
11 An entrance I'd turn in at (4)
15 Small rises that naturally precede bigger ones (9)
17 It's not easy for him to get off at night (9)
18 Clear and complicated dates listed (6)
20 Bird from another nest (4)
21 A spider possibly saved Bruce from it (7)
22 Bill of fare? (6)
24 They're inclined to be dishonest schemes (5)
25 Ends call of captain? (5)

Solution to Puzzle No. 5,404



INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	137.1	144.4	+0.7	—
Do Initial	131.0	137.9	−0.2	—
Universal Tec. Acc.	92.6	97.5	+0.8	—
Do. Initial	91.1	[illegible]	+0.5	—
Man Pens. Accum.	227.0	[illegible]	...	—
Do. Initial	220.7	[illegible]	...	—
Gilt-Edg Pens. Accum	221.3	233.0	...	—
Do Initial	172.5	181.6	...	—
Money Pens. Accum	195.9	[illegible]	...	—
Do. Initial	154.0	163.1	...	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd		259.71	...	—
Managed Inv. Fd.	173.99	183.15	...	—
Property Fd.	254.00	262.11	...	—
Fixed Interest Fd	151.41	159.58	...	—
Cash Fd	138.81	146.12	...	—
Income Fd.	200.96	211.54	...	—
Extra Income Fd.	189.93	199.99	...	—
Worldwide Growth Fd.	228.65	240.69	...	—
Balanced Fd.	201.20	211.79	...	—
Smlr Co's & Recy. Fd	230.27	[illegible]	...	—
Int. Technology Fd	264.05	277.95	...	—
Nth. Amer & Gen. Fd.	146.34	154.05	...	—
Energy Int. Fd.	111.14	117.02	...	—
Pacific Basin Fund	164.81	173.49	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	122.8	129.3	...	—
Property	127.5	134.2	...	—
Equity	134.3	141.3	...	—
International	136.2	143.4	...	—
Fixed Interest	107.5	113.1	...	—
Deposit	102.3	107.1	...	—
Managed Pen. Cap.	122.6	129.1	...	—
Property Pens. Cap.	129.4	136.2	...	—
Equity Pens. Cap.	129.0	135.8	...	—
Intnl. Pens. Cap.	140.9	148.3	...	—
Fixed Int. Pens. Cap.	102.4	107.7	...	—
Deposit Pens. Cap.	98.6	103.8	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		103.6	...	—
Retmt. Fed. April 6	296.3		+21.1	—
Managed Pen Fund	198.2	208.7	...	—
Property Pen Fund	116.0	122.1	...	—
Index Lnkd Pen Fund	111.5	117.4	...	—
Managed	130.8	137.7	−0.1	—
Property	106.8	112.5	...	—
Gilt and Fixed Interest	109.6	115.4	−0.2	—
Index-Linked	97.2	102.4	+0.1	—
Equity	133.9	141.0	...	—
Cash	108.0	113.7	+0.1	—
Midland Bk. Unit Tst.	131.1	138.0	+0.4	—
Midland Bank Intnl.	152.2	160.3	+1.4	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£43.54	—	[illegible]	—
Property Units	£17.55	—	[illegible]	—
Equity Bond/Exec	£28.09	29.72	[illegible]	—
Prop. Bond/Exec.	22.94	24.28	[illegible]	—
Bal. Bd./Exec/Unit	£24.78	26.22	[illegible]	—
2nd Equity Acc.	218.0	230.7	[illegible]	—
2nd High Inc/Acc	180.6	191.1	[illegible]	—
2nd Property Acc	174.7	184.9	[illegible]	—
2nd Managed Acc.	179.2	189.6	[illegible]	—
2nd Deposit Acc	148.5	157.1	[illegible]	—
2nd Gilt Acc.	147.5	156.1	[illegible]	—
2nd American Acc	169.7	179.6	[illegible]	—
2nd Intl Money Acc.	148.9	157.6	[illegible]	—
2nd Index Acc.	96.1	101.8	[illegible]	—
2nd Far East Acc.	110.7	117.2	[illegible]	—
2nd Eq. Pens./Acc.	314.3	332.6	[illegible]	—
2nd Hi Inc Pens/Acc.	194.6	205.9	[illegible]	—
2nd Prp. Pens/Acc	226.0	239.2	[illegible]	—
2nd Mgd. Pens/Acc	232.8	246.5	[illegible]	—
2nd Dep. Pens/Acc	198.2	209.7	[illegible]	—
Gilt Pens/Acc	193.1	204.4	[illegible]	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	127.4	134.2	−0.6	—
GT Pln High Yld Fnd	[illegible]	[illegible]	+0.6	—
GT Plan Far East Fnd	137.7	145.0	+1.1	—
GT Plan N. Am Fd.	121.9	128.4	+0.7	—
GT Pln UK&G.E. Fnd	160.5	169.0	+0.3	—
GT Pln Wrldwde Fnd	155.7	163.9	+2.0	—
GT Pension Bnd Fnd.	139.4	146.8	−0.7	—
GT Pen High Yld Fd.	161.3	169.8	+0.9	—
GT Pen Far East Fd.	173.9	183.1	+1.4	—
GT Pen N. Am. Fd	177.7	187.1	+1.9	—
GT Pen UK & G.E. Fd	187.6	197.6	+0.4	—
GT Pen Worldwide Fd.	167.0	175.8	+2.3	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0753

Intl. Managed Bond	173.6	182.8	...	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc		273.9	...	—
Portfolio Fd. Init.		221.4	...	—

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth 0202 767655

Managed Fd.	298.4	307.9	...	—
Money Fd.	159.3	167.6	...	—
Equity Fd.	245.2	258.4	...	—
Fixed Int. Fd.	120.8	127.3	...	—
Property Fd	177.4	186.9	...	—
Managed Pen. Fd.	282.6	297.8	...	—
Equity Pension Fd.	182.0	191.8	...	—
Fixed Int. Pen. Fd	171.1	180.3	...	—
High Yield Pen. Fd.	168.6	177.7	...	—
Money Pension Fd.	133.3	140.3	...	—
Property Pension Fd	132.9	140.0	...	—
Gresham/Framlington				
American & Gen. Fd.	229.6	241.9	+2.9	—
Income Fd.	222.3	234.2	+0.6	—
Int'l. Growth Fd.	272.4	287.0	+2.2	—
Capital Fund	230.6	243.0	+1.5	—
Recovery Fund	168.6	177.7	+1.2	—
Japan & Gen Fd	105.2	110.7	+1.0	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1,536	—	...	—
Landbank Secs.	0.6674	—	...	—
Landbank Secs. Acc.	189.2	194.7	...	—
G. & S. Super Fd	£21.598	—	...	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance

Property Bonds	314.8	327.9	+1.4	—
GRE Linked Assurance Ltd.				
Managed Initial	235.0	248.1	+1.4	—
Do. Accum.	264.9	278.8	+1.7	—
Equity Initial	305.3	321.3	−1.5	—
Do Accum.	343.0	361.0	−1.6	—
Fixed Int. Initial	197.4	207.8	−0.1	—
Do. Accum.	221.8	233.5	...	—
Intnl. Initial	221.4	233.1	+0.4	—
Do. Accum.	248.0	261.9	+0.5	—
North American Initial	96.4	101.5	+0.6	—
Do. Accum	98.6	103.8	+0.6	—
Pacific Initial	117.7	123.8	...	—
Do. Accum	119.2	125.4	...	—
Index-Linked Gilt Init.	91.7	96.5	...	—
Do Accum	93.8	98.7	...	—
Property Initial	123.3	129.8	−0.2	—
Do Accum	138.5	145.8	...	—
Deposit Initial	124.7	131.3	...	—
Deposit Accum.	140.1	147.5	...	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	237.7	250.1	+1.1	—
Pens. Managed Acc.	261.0	274.7	+1.3	—
Pens. Equity Initial	32.9	344.1	−3.0	—
Pens. Equity Acc.	359.0	377.9	−3.2	—
Pens. Fxd. Int. Initial	205.9	216.8	16.7	−0.1
Pens. Fixed Int. Acc.	226.1	238.0	...	—

OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

U.S. expects spending on farm inputs to increase

By Nancy Dunne in Washington

A PROJECTED rise in U.S. farm income of $9bn to $16bn (£11.4bn) and increased grain production this year are expected to boost spending on agriculture inputs by 13 per cent in 1984, according to the Department of Agriculture.

A five-year slide in purchases of large farm machinery may be bottoming out, just as price increases are moderating, the department said. Sales, which were flat last year, are expected to increase by 11 per cent for all farm machinery to $13.9bn.

Farmers are expected to spend $42bn for machinery and equipment, agricultural chemicals and energy in 1984. Pesticide use is forecast to expand significantly as farmers return 30m to 35m acres to production, which have been left fallow on the payment-in-kind programme.

Total fertiliser use on field crops is expected to climb by 17 per cent this year.

Agricultural energy demand is projected to rise 10 per cent in 1984 as fuel needs expand with the increase in field crop acreage. Energy expenditure is likely to rise to $8.4bn from $7.7bn in 1984.

Chinese meat output advances

CHINESE production of pork, beef and mutton reached 14m tonnes in 1983, up 3.8 per cent on the previous year, the State Statistical Bureau said in its annual report.

Pork meat reached 13.2m tonnes, up 3.5 per cent, while beef production rose 18.6 per cent to 315,000 tonnes and mutton 4 per cent to 545,000 tonnes, it said.

The report said 206.6m hogs were slaughtered last year, up 3 per cent. The live pig population fell 0.7 per cent to 298.54m.

Fall in copper price continues

BY JOHN EDWARDS, COMMODITIES EDITOR

SPECULATIVE selling put copper under renewed pressure on the London Metal Exchange yesterday. The cash price for higher grade copper closed £11.5 down at £1,025 a tonne in spite of the weakness of sterling against the dollar, which would normally boost London values.

Traders said the market, which lost over £64 last week, continued to be depressed by stop-loss selling by speculators, and the easier trend in gold.

There was also some disappointment that stocks of copper dropped last week by only 7,325 tonnes reducing total holdings to 272,875 tonnes. Some traders had been forecasting a stocks fall between 20,000 to 30,000 tonnes, after the previous week's small decline.

Nevertheless stocks have now fallen for 12 weeks and are at the lowest level since August last year.

Another hefty decline in warehouse stocks, down by 9,450 to 108,475 tonnes, also failed to stop lead prices sliding down in the wake of copper. Nor did a report from Australia that a compulsory conference called by the New South Wales industrial commission had failed to resolve the dispute at the Broken Hill lead-silver-zinc mining complex suspended on March 28 following a wage dispute.

A small fall of only 575 to 46,350 tonnes accelerated the decline in zinc. The cash price lost £22 to £678.5 moving to a discount below the three months which was £14.75 down at £682.75 a tonne.

Aluminium prices were easier too, in spite of stocks declining again by 3,425 to 178,825 tonnes. LME silver holdings were down too by 350,000 to 50,854,000 ounces.

Nickel was depressed by a rise in stocks, up by 984 to 31,464 tonnes, and news that Falconbridge Mines of Canada had successfull concluded a new three-year labour contracts.

Tin stocks rose as well by 10 to 29,185 tonnes after declining for 18 weeks in succession.

UK beef subsidies to be clawed back on exports

BY RICHARD MOONEY

SUBSIDIES PAID to British beef producers will be "clawed back" on export sales from May 21.

The clawback is intended to ensure that British beef is not able to compete unfairly on overseas markets because of the variable premium payment, which is not available to other EEC producers. The premium takes the form of a deficiency payment making up the market price to a guaranteed level.

As part of this year's price settlement the EEC Commission proposed that the system should be abandoned. This was resisted by Mr Michael Jopling, the UK Agriculture Minister, but he had to accept a 20 per cent cut in the maximum premium and a clawback on export sales.

Details of how the new system will work were agreed at a meeting of the EEC's beef management committee at the end of last week.

Apart from setting the date for the start of the clawback arrangement the committee agreed that export sales covered by pre-fixation certificates would be exempt until July 1.

Brazil plans further rise in orange juice price

By Our Commodities Staff

BRAZIL IS planning a further increase in its minimum export price for frozen orange juice, an official in the foreign trade department of the Banco do Brasil said yesterday.

He said the rise had been approved by Sr Carlos Viacave, president of the department, after negotiations with the country's fruit juice industry.

The minimum export price stands at U.S.$1,450 (£1,034) a tonne, having been raised from $1,100 earlier this year following the U.S. frosts which sharply reduced world supplies.

● TEA prices rose yesterday at the London weekly auctions. Values showed small gains for the second week in succession reflecting improved demand. Indicative price for quality tea rose by 2p to 292p a kilo; medium by 4p to 256p; and low medium by 6p to 230p.

● INTERNATIONAL Pepper Community, representing the main pepper producing countries, has raised its minimum export price from 65 to 90 cents a lb. The export price, which is based on black pepper cost and freight New York, was introduced last August. Since then a world shortage of pepper has forced prices well over 90 cents a lb.

● IVORY COAST has indicated its willingness to join a new according to Mr John Ndeburgre, Ghanaian Agriculture Minister. He said producers are confident that the Ivory Coast, which refused to participate in the existing pact, would join a new agreement if consumers showed understanding of their problems.

● JAKARTA Commodity Exchange start has been delayed due to technical problems, Paian Nainggolan, exchange chairman, told Reuters in Indonesia.

Anthony Moreton finds optimism on the sheep farms

Australian wool growers fight back

AFTER FOUR years of the worst drought that most Australians can remember the country's wool growers — who have seen their flocks fall in size to the lowest level since the mid 1950s — could be excused for taking a gloomy view of the future.

In fact, they are remarkably optimistic. The drought was followed by a wet summer, which has just ended, and the decline in numbers has been reversed. If the big promotional effort now being mounted to sell more wool in the U.S. succeeds, the future will be assured.

However an assured future is not necessarily a rosy one. Mr Michael Davidson, president of the National Farmers' Federation, who runs a mixed farm at Young in New South Wales, warns: "There is a lot more confidence now than 10 years ago, when a lot of people had lost confidence in sheep.

"But there is not a sufficient rate of return and so the current situation is not entirely satisfactory."

Similar cautious optimism is expressed by Mr David Asimus, chairman of the Australian Wool Corporation, who has a farm at Wagga Wagga. "There is a new feeling of optimism about after the drought. Better grass is producing more sheep and prices are firm.

"But the future depends on selling wool. We have launched a major promotion in the U.S. putting a lot of money behind it. If we are to succeed then we have to keep our costs down."

The caution expressed by these two leaders of the industry stems from the buffeting the sheep growers have had over the past decade.

There was a time when wool dominated not only Australian farming but also Australian export earnings; no longer is this true. It now only contributes 10 per cent to export earnings compared with 50 per cent in the 1950s. Between 1950 and 1970 the sheep population rose from 113m to a record 180m.

The 1970s were, however, a traumatic time. Better returns from beef and wheat, bad weather, the world oil crisis and the recession played havoc with the wool growers and the sheep population declined to a low of 131.4m in 1978.

The result was that, faced with severe strains on their resources, many farmers diversified.

"Thirty years ago we were 80 per cent sheep. Now half my estate is given over to grain, 5 per cent to beef and the rest to sheep. Many others have moved strongly to grain and it is unusual now to find a sheep-only farm."

However Australian farmers are nothing if not adaptable and when the bottom fell out of the beef market they moved back to wool.

Mr Asimus now says that sheep numbers are off the bottom—137m this year—and "I hope we might build up to 145m or 150m over the next five or six years. But we must not shoot up too rapidly. Too many sheep would give us too much wool."

Too much wool would put enormous pressure on the market support fund, which exists to give the farmer some guarantee over prices.

Each farmer pays a statutory levy of 5 per cent towards the fund—together with another 2½ per cent towards promotion and half a per cent towards research. The fund supports a reserve price scheme under which the Australian Wool Corporation guarantee to buy all the wool that comes on the market at auction at a pre-stated minimum price.

In the past year, because of the depth of the recession in northern hemisphere, the AWC has been a heavy buyer of wool at the reserve floor price and its stockpile is very high. If the sheep population rises quickly, the economic conditions do not change materially, the stockpile will grow and the AWC's finances—met by the farmers—will be dangerously stretched.

This is why the U.S. promotion, being handled by the International Wool Secretariat, is so important.

The U.S. is not traditionally a big buyer of wool, but attitudes are changing, according to Mr Ernest Barr, an AWC board member. "There has been a swing back to wool and people like Burlington and Stevens are investing heavily in new machinery, putting in as much as $400m."

The danger at the moment is that any policy to sell more wool could be undermined by the strength of the Australian dollar which, compared with a basket of currencies representing the main wool-buying countries, has appreciated by some 15 per cent since the middle of last year.

There is, though, great resilience in the Melbourne headquarters of the AWC. Mr Asimus says: "We refuse to accept that wool is a raw material. It is an industrial commodity, with many end uses."

Australia may no longer ride on the sheep's back, but wool is still the second most important foreign exchange earner (after coal) and the wool growers intend to keep it that way.

Rubber consumption advances 4.6%

BY OUR COMMODITIES STAFF

WORLD RUBBER consumption rose by 4.6 per cent last year to 12.13m tonnes, according to figures published at the International Rubber Study Group show.

The sharpest rise was for natural rubber, with usage increasing 8.1 per cent to 3.95m tonnes. Synthetic rubber consumption was up 3 per cent at 8.18m tonnes.

The biggest rises in consumption were registered in Japan and the U.S.—up 9.8 per cent and 8.5 per cent respectively. The IRSG attributed the increase to the 4 per cent rise in the overall output of industrialised countries and, more particularly, to the sharp increase in vehicle output.

● Japanese rubber traders have asked Malaysia to introduce RSS No 3 as a hedging grade for rubber on the Kuala Lumpur Commodities Exchange, writes Wong Sulong from Kuala Lumpur.

A group of 25 leading Japanese rubber dealers who met Datuk Paul Leong, the Primary Industries Minister, here yesterday, said this would enable greater Japanese participation on the KLCE since RSS No 3 was the hedging grade on the Tokyo market.

At present only RSS No 1 is being traded on the KLCE.

Sharp decline in potato sales

THE SHORTAGE of potato supplies caused by last season's adverse growing conditions brought a sharp downturn in sales for human consumption last month.

Preliminary figures published by the Potato Marketing Board put movement into human consumption during March at 489,000 tonnes, down from 534,000 in the same month last year.

PRICE CHANGES

[illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES continued to lose ground on the London Metal Exchange. COPPER fell to £1,040.5 before closing the late kerb at £1,042.5, depressed by renewed long liquidation and short selling and despite the further decline in warehouse stocks. [illegible]

NICKEL

Nickel — Morning: Three months £3,460, 65, 70, 65, 75, 70, 80. Kerb: Three months £3,460, 55. Afternoon: Three months £3,460, 55, 67, 80, 55, 67, 56, 58. Kerb: Three months £3,450, 40, 35, 40, 25, 30. Turnover 1,566 tonnes.

[illegible]

COPPER

[illegible]

SILVER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 564.5, [illegible]

PIGMEAT

[illegible]

COTTON

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

INDICES

[illegible]

MEAT/FISH

[illegible]

LONDON OIL

[illegible]

SPOT PRICES

[illegible]

GAS OIL FUTURES

[illegible]

GOLD MARKETS

[illegible]

LONDON FUTURES

[illegible]

EUROPEAN MARKETS

[illegible]

Platinum price rise forecast

[illegible]

AMERICAN MARKETS

NEW YORK, April 30.

Gold and silver came under pressure as a weak tone to currencies and a decline in leading indicators encouraged renewed long liquidation, reports Heinold Commodities. Copper attracted strong trade support at lower levels to close slightly lower as exchange stocks continued to be drawn down. [illegible] pressure from arbitrage selling. Cotton was firm on renewed speculative buying in response to poor planting weather in key U.S. growing areas. Heating oil began under selling pressure but failed to follow through on losses when the expiring May contract rallied significantly as cash prices attracted light interest. [illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to improve

Trade figures were the main talking points on the foreign exchanges yesterday. Both the U.S. and UK figures were regarded as disappointing, but not altogether surprising, and had no lasting impact. The failure of the dollar to react adversely in New York on Friday to news of a record U.S. deficit of $10.28bn in March encouraged buying of the currency when European markets opened. This trend continued throughout the day on expectations U.S. interest rates will remain firm. Another pointer to U.S. economic performance was also largely ignored, when the Commerce Department published the index of leading economic indicators in March, showing a fall of 1.1 per cent, the first decline since August 1982.

Nervousness about a possible strike by West German engineering workers also tended to depress the D-mark and members of the EMS against the dollar. The U.S. currency rose to its highest level since mid-February at DM 2.7185, compared with DM 2.7060 on Friday. It also advanced to FFr 8.3380 from FFr 8.31 against the French franc, and SwFr 2.2460 from SwFr 2.2350 in terms of the Swiss franc, but only rose to Y226.85 from Y226.65 against the otherwise firm Japanese yen.

On Bank of England figures the dollar's index rose to 129.7 from 128.9.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3955. March average 1.4564. Trade-weighted index unchanged throughout at 79.7, compared with 83.7 six months ago.

A rough balance, or perhaps a small UK March trade deficit was expected yesterday afternoon, following the large £589m surplus in February. A current account surplus of about £200m was anticipated after taking account of invisible earnings, but in the event the trade deficit was £307m, and the current account surplus only £43m. But this also had little influence on sterling, which was weak against the dollar from the early morning, but firm against Continental currencies. The pound opened at $1.3950-1.3960, and touched a low of $1.3935-1.3945, before closing at $1.3980-1.3990, a fall of 30 points on the day, and not far above the record closing low of $1.3955 on January 1. On the other hand sterling rose to DM 3.8050 from DM 3.7950; FFr 11.66 from FFr 11.64; and SwFr 3.1425 from SwFr 3.1350, but eased to Y317.50 from Y3.18.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. March average 2.5967. Trade weighted index 125.2 against 126.9 six months ago.

The dollar was fixed at DM 2.7174 at yesterday's fixing in Frankfurt against the D-mark, up from DM 2.6957 on Friday, and there was no intervention by the Bundesbank. Fears of higher U.S. interest rates underpinned the U.S. unit while the D-mark remained depressed by the effects of a possible strike by leading industrial workers. Sterling was also higher at DM 2.7960 from DM 2.7880 while the Swiss franc rose to DM 1.2120 from DM 1.2094. Within the EMS the Belgian franc was unchanged at DM 4.9080 per BFr 100 while the French franc improved to DM 32.605 per FFr 100.

ITALIAN LIRA — Trading range against the dollar in 1984 is 1,720.75 to 1,591.0. March average 1,613.68. Trade weighted index 48.3 against 49.6 six months ago.

The lira was firmer against most of its EMS partners at yesterday's fixing in Milan but eased against the dollar. Sterling was weaker at L2,343 from L2,346 while the dollar rose to L1,681.0 from L1,672.25.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6255	+1.61	+1.54	±1.5447
Danish Krone ...	8.14104	8.21074	+0.86	+9.79	±1.6425
German D-Mark	2.24184	2.23789	−9.18	−0.25	±1.0642
French Franc ...	6.87456	6.86515	−0.14	−0.21	±1.4052
Dutch Guilder ...	2.52595	2.52068	−0.21	−0.28	±1.4964
Irish Punt	0.72569	0.729953	+0.59	+0.52	±1.6899
Italian Lira	1403.49	1382.67	−1.46	−1.48	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

	April 30	Prev. close
Spot	$1.3980-3985	$1.4010-4020
1 month	0.20-0.29 dis	0.25-0.27 dis
3 months	0.77-0.81 dis	0.77-0.80 dis
12 months	3.80-3.30 dis	5.23-5.00 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

April 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3935-1.4000	1.3980-1.3990	0.26-0.30c dis	−2.36	0.77-0.82dis	−2.27
Canada	1.7875-1.7965	1.7940-1.7950	0.26-0.35c dis	−2.01	0.86-0.96dis	−2.03
Nethlnd.	4.27-4.29½	4.28-4.29	1½-¾c pm	3.15	3¼-2¾pm	2.80
Belgium	77.10-77.60	77.45-77.55	20-30c dis	−3.87	52-62dis	−2.94
Denmark	13.90½-13.95½	13.94-13.95	1½-3¼ore dis	−2.21	4¼-6dis	−1.51
Ireland	1.2350-1.2490	1.2400-1.2410	0.36-0.44p dis	−3.87	0.99-1.14dis	−3.43
W. Ger	3.78½-3.81	3.80-3.61	1¼-¾pf pm	3.15	2¼-2¼pm	3.02
Portugal	191.00-192.50	192.00-192.50	119-219c dis	−13.67	312-940dis	−14.87
[illegible]						

Belgian rate is for convertible francs. Financial franc 79.00-79.10. Six-month forward dollar 1.58-1.61c dis. 12-month 3.20-3.30c dis.

THE DOLLAR SPOT AND FORWARD

April 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3935-1.4000	1.3980-1.3990	0.25-0.30c dis	−2.36	0.77-0.82dis	−2.27
Ireland†	1.1265-1.1300	1.1265-1.1275	0.17-0.13c pm	1.60	0.37-0.29pm	1.17
Canada	1.2815-1.2880	1.2845-1.2850	0.06-0.04c pm	0.47	0.10-0.08pm	0.28
Nethlnd	3.0615-3.0650	3.0615-3.0635	1.38-1.33c pm	0.29	3.85-3.80pm	4.99
Belgium	55.30-55.41	55.38-55.41	5-7c dis	−1.30	9-13dis	−0.79
Denmark	9.9650-9.9800	9.9725-9.9775	.40ore pm-.10dis	9.10	2.10-1.60pm	0.74
W. Ger	2.7110-2.7220	2.7180-2.7190	1.25-1.20pf pm	5.40	3.65-3.60pm	5.33
Portugal	137.25-137.95	137.40-137.90	60-200c dis	−11.33	220-600dis	−11.91
[illegible]						

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.40-56.50.

OTHER CURRENCIES

Apr. 30	£	$		£ Note Rates
Argentina Peso	82.07-89.16	57.26-57.29	Austria	26.60-26.90
Australia Dollar	1.5200-1.5260	1.0875-1.0880	Belgium	78.25-79.05
Brazil Cruzeiro	2,025-2,032	1,448-1,455	Denmark	13.85-13.99
Finland Markka	8.0400-8.0630	5.7580-5.7600	France	11.59-11.72
Greek Drachma	148.35-148.75	107.05-107.35	Germany	3.78-3.82
Hong Kong Dollar	10.921-10.93	7.8155-7.8165	Italy	2305-2350
Iran Rial	132.60*	87.40*	Japan	314-318
KuwaitDinar(KD)	0.41215-0.4125	0.2954-0.2955	Netherlands	4.26-4.30
Luxembourg Fr.	77.45-77.55	55.38-55.41	Norway	10.75-10.85
Malaysia Dollar	3.1605-3.2060	2.2895-2.2910	Portugal	186-198
New Zealand Dlr.	2.1240-2.1300	1.5195-1.5225	Spain	206-216
Saudi Arab. Riyal	4.9195-4.9260	3.5205-3.5215	Sweden	11.12-11.25
Singapore Dollar	2.9150-2.9215	2.0860-2.0880	Switzerland	3.10-3.16
Sth African Rand	1.7540-1.7560	1.2540-1.2555	United States	1.38½-1.40¼
U.A.E. Dirham	5.1315-5.1370	3.6720-3.6730	Yugoslavia	185-215

* Selling rates.

CURRENCY MOVEMENTS

Apr. 30	Bank of England Index	Morgan Guaranty Changes %
Sterling	79.7	−11.9
U.S. dollar	129.7	+18.2
Canadian dollar	89.2	−2.5
Austrian schilling	116.5	+4.3
Belgian franc	90.8	−11.1
Danish kroner	77.0	−5.9
Deutsche mark	125.2	+8.6
Swiss franc	145.9	+11.3
Guilder	114.7	+4.9
French franc	66.8	−14.8
Lira	48.3	−12.7
Yen	160.6	+15.8

Morgan Guaranty changes: average 1980-82=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.749817	0.589658
U.S. $	—	1.04712	0.823758
Canadian $	10.84	—	1.05605
Austria Sch.	4½	20.0095	15.7419
Belgian Fr.	11	58.0103	45.6255
Danish Kr.	7	10.4424	8.21074
D'mark	4	2.84544	2.23789
Guilder	5	3.20428	2.52068
French Fr.	9½	8.72...	6.86515
Lira	16	1760.21	1382.07
Yen	5	n/a	186.780
Norwgn Kr.	8	8.09028	6.36884
Spanish Pta.	—	n/a	125.818
Swedish Kr.	8½	8.37454	6.58895
Swiss Fr.	4	2.34848	1.84767
Greek Drch.	20½	n/a	88.3509

*CS/SDR rate for April 27: not available.

EXCHANGE CROSS RATES

Apr. 30	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.399	3.805	317.5	11.66	3.143	4.285	2345.	1.795	77.50
U.S. Dollar	0.715	1.	2.720	226.9	8.335	2.246	3.063	1676.	1.283	55.40
Deutschemark	0.263	0.368	1.	83.44	3.064	0.826	1.126	617.0	0.472	20.37
Japanese Yen 1,000	3.150	4.405	11.98	1000.	36.73	9.898	13.50	7394.	5.652	244.1
French Franc 10	0.858	1.199	3.263	272.3	10.	2.695	3.675	2015.	1.539	66.47
Swiss Franc	0.318	0.445	1.211	101.0	3.710	1.	1.364	747.0	0.571	24.66
Dutch Guilder	0.233	0.326	0.888	74.10	2.721	0.733	1.	547.8	0.419	18.09
Italian Lira 1,000	0.426	0.596	1.621	135.3	4.967	1.339	1.825	1000.	0.764	33.02
Canadian Dollar	0.557	0.779	2.120	176.9	6.496	1.751	2.388	1308.	1.	43.19
Belgian Franc 100	1.290	1.805	4.910	409.7	15.05	4.056	5.529	3028.	2.315	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]											
7 days' notice	[illegible]											
Month	[illegible]											
Three months	[illegible]											
Six months	[illegible]											
One year	[illegible]											

Asian $ (closing rates in Singapore): Short-term 10½-10¾ per cent; seven days 10½-10¾ per cent; one month 10½-10¾ per cent; three months 10¾-11 per cent; six months 11⅛-11¼ per cent; one year 11⅝-11¾ per cent. Long-term Eurodollars two years 12½-12⅝ per cent; three years 12¾-13 per cent; four years 12¾-13 per cent; five years 13-13¼ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

MONEY MARKETS

Slightly firmer tone in London

There was a slightly firmer tone to interest rates on the London money market yesterday, but this was largely confined to the longer periods. Discount houses buying rates for six-month bank bills rose to 8⅞-8⅞ per cent from 8⅞ per cent, but the rate for three-month bills remained at 8⅞ per cent. There was a slightly wider spread of dealing than of late in sterling three-month interbank money, but the middle quotation was unchanged at 8⅞ per cent.

The Bank of England initially forecast a market shortage of £400m, involving some very large factors on both sides, and the shortage was later revised to £450m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £578m, while the unwinding of repurchase agreements absorbed another £349m. These were partly offset by Exchequer transactions adding £600m to liquidity, and a fall in the note circulation of £230m. Total help of £504m was provided, mainly through purchases of bills outright.

Before lunch the authorities bought £356m bills outright by way of £1m Treasury bills in band 1 up to 14 days maturity at 8¾ per cent; £5m bank bills in band 1 at 8¾ per cent; £90m bank bills in band 2 (15-33 days) at 8¾ per cent; £65m bank bills in band 3 (34-63 days) at 8¾ per cent; and £270m bank bills in band 4 (64-91 days) at 8¾ per cent.

In the afternoon another £88m bills were purchased outright through £2m bank bills in band 2 at 8¾ per cent; £14m bank bills in band 3 at 8¾ per cent; £9m Treasury bills in band 4 at 8¾ per cent and £63m bank bills in band 4 at 8¾ per cent.

Late assistance of £60m was also provided by the Bank of England.

In Frankfurt the Bundesbank injected DM 7.5bn into the money market for 33 days by way of securities repurchase agreements, at a rate of 5.55 per cent. Bids for funds by the banks totalled DM 17.3bn. The money will be available tomorrow, for repayment on June 4, and replaces other agreements of DM 8.1bn made on March 30, commanding a similar rate of interest.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 13 and 16)

MONEY RATES

Apr. 30	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	[illegible]							
One month	[illegible]							
Two months	[illegible]							
Three months	[illegible]							
Six months	[illegible]							
Lombard	[illegible]							
Intervention	[illegible]							

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Apr. 30 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	[illegible]									
2 days notice	[illegible]									
7 days or	[illegible]									
7 day notice	[illegible]									
One month	[illegible]									
Two months	[illegible]									
Three months	[illegible]									
Six months	[illegible]									
Nine months	[illegible]									
One year	[illegible]									

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. April 30)

3 months U.S. dollars

bid 10 15/16 | offer 11 1/16

6 months U.S. dollars

bid 11 1/4 | offer 11 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]					
Two months	[illegible]					
Three months	[illegible]					
Six months	[illegible]					
Nine months	[illegible]					
One year	[illegible]					
Two years	[illegible]					
Three years	[illegible]					
Four years	[illegible]					
Five years	[illegible]					

ECGD Fixed Rate Export Finance Scheme IV. Average Rate of interest period March 7 to April 3 1984 (inclusive): 9.976 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9 per cent from May 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¾-5⅞ per cent. Treasury Bills: Average tender rates of discount 8.3629 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 9¼ per cent; one-three months 9¼ per cent; three-six months 9 per cent; six-nine months 9¼ per cent; nine-12 months 9¼ per cent. Under £100,000 8¾ per cent from April 11. Deposits held under Series 4-5 9¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	12
Broker loan rate	11½
Fed funds	10½
Fed funds at intervention	10½

Treasury Bills

One month	9.00
Two month	9.25
Three month	9.72
Six month	9.79
One year	9.91

Treasury Bonds

Two year	99⅞
Three year	97¼
Four year	97⅞
Five year	97
Seven year	98¼
10 year	98¾
30 year	93¾

FINANCIAL FUTURES

Eurodollars ease

Euro-dollar prices were easier in the London International Financial Futures Exchange yesterday. Prices were a little easier at the start in comparison with London's closing levels on Friday, in line with a softer trend in Chicago. Values were little changed during the morning in reasonable volume but fell away in the afternoon after the opening of U.S. centres. This followed a larger than expected fall in U.S. economic indicators in March. However the fall of 1.1 per cent was partly offset by a revised 1.3 per cent rise for February.

Nevertheless selling developed during the latter part of the day and values finished towards their lower levels of the day. The June Euro-dollar price opened at 88.85, down from 88.90 and traded between a high of 88.89 and a low of 88.78. It closed at 88.82.

Gilt prices were marked down at the opening on a weaker pound and a softer cash market. Early selling soon dried up however and there appeared to be little incentive to push prices much lower. Later in the day profit taking helped prices to recover to opening levels but were still down from Friday.

The June price opened at 106-13 down from 106-22 and touched a low of 106-06 before recovering to finish at 106-13. UK trade figures were slightly disappointing in the market's view and there were brief attempts to sell on this basis before petering out.

Short sterling prices were also a little lower, influenced by sterling's weakness against the dollar. The June price opened and closed at the same level of 90.98, having closed on Friday at 91.01.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	88.82	88.89	88.78	88.90
Sept	88.28	88.33	88.26	88.37
Dec	87.86	87.90	87.84	87.94
March	87.52	—	—	87.58
June	87.22	—	—	—

Volume 5,198 (2,866)
Previous day's open int 14,582 (14,705)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.98	90.98	90.95	91.01
Sept	90.56	90.58	90.54	90.61
Dec	90.23	90.24	90.21	90.26
March*	89.93	89.93	89.91	—
June*	89.73			

Volume 689 (448)
Previous day's open int 8,850 (8,747)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	106-13	106-15	106-06	106-22
Sept	105-25	105-25	105-15	—
Dec	105-07	—	—	—
March	104-20	—	—	—
June	103-28	—	—	—

Volume 2,975 (1,839)
Previous day's open int 4,889 (4,859)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 22 to 34 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.4014	1.4020	1.3992	1.4065
Sept	1.4035	—	—	—
Dec	1.4175	—	—	—

Volume 68 (147)
Previous day's open int 2,189 (2,153)

DEUTSCHE MARKS DM125,000 $ per DM

	Close	High	Low	Prev
June	0.3701	0.3704	0.3687	0.3734
Sept	0.3751	—	—	—

Volume 33 (35)
Previous day's open int 476 (482)

SWISS FRANCS SwFr $ per SwFr

	Close	High	Low	Prev
June	0.4490	0.4496	0.4486	0.4524
Sept	0.4569	0.4578	0.4569	0.4604

Volume 47 (11)
Previous day's open int 236 (226)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4432	0.4437	0.4428	0.4443
Sept	0.4485	—	—	—

Volume 0 (21)
Previous day's open int 472 (470)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			
June	[illegible]			

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			
March	[illegible]			
June	[illegible]			
Sept	[illegible]			
Dec	[illegible]			

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on April 30, 1984. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (cb) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
[illegible]		

* Rate is the transfer market (controlled). †† Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (‡) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for public sector imports such as foodstuffs. (3) Non-essential imports and private sector applicant. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of Egyptians working abroad.

Novel £50m bond for Trinidad

BY MARY ANN SIEGHART IN LONDON

TRINIDAD and Tobago issued a novel £50m bulldog bond yesterday through Morgan Grenfell and J. Henry Schroder Wagg. It has a final maturity of 25 years, but investors can redeem their bonds every five years.

The issue will pay a margin of 1.85 per cent over the yield on the UK Government stock of 2004/8, but the price at which the first redemption (in 1989) is made will be set to give a yield of 1.40 per cent over the government 10 per cent stock of 1989.

At the moment, these two formulae would give roughly the same yield (around 12.4 per cent), but the method allows investors to take a punt on the yield curve.

BHF Bank bond average		
April 30		Previous
99.550		99.580
High	1984	Low
100.009		98.056

The bond is partly paid; 30 per cent is due now and the balance on August 7. The price and coupon will be fixed tomorrow and the price is expected to be close to par.

Lead manager Morgan Grenfell reported strong demand for the issue, particularly from UK financial institutions.

The only new issue in the dollar sector of the Eurobond market was a $65m discount bond for Primary Industry Bank of Australia. Led by Paribas and Orion Royal Bank, it has a 9 per cent coupon at a price of 82¾ per cent to yield 12.855 per cent to maturity. The seven-year bond, which involves an interest rate and currency swap for the borrower, is designed to appeal to investors, particularly from the Far East, who prefer capital gains to income.

Trading volume was extremely low in dollar, D-Mark and Swiss franc secondary markets yesterday and prices fell in all three sectors by up to ¼ point, with the worst falls being seen in dollar bonds.

In Germany, SKF, the Swedish ballbearing company, is raising DM 100m through a five-year bond paying a coupon of 7⅞ per cent at par. Led by Dresdner Bank, the short maturity was not enough to counteract the effect of a weakening market and the issue traded at a 1⅝ per cent discount outside the 1¼ per cent selling concession.

The Province of New Brunswick has followed up its Canadian dollar FRN with a SwFr 100m public issue in Switzerland. Led by UBS, the 10-year bond has an indicated 5⅝ per cent yield.

Agent named for Telefonica sterling credit

By Margaret Hughes in London

TELEFONICA, the Spanish telephone company in which the Government has a 46 per cent stake, has awarded the mandate for £60–£70m sterling credit which it is raising on the syndicated loan market to International Westminster Bank (IWB).

IWB will be acting as agent bank for the credit but Telefonica will be selecting a lead management group of about ten banks.

The margin will be ⅜ per cent over Eurodollar rates during the first two years rising to ½ per cent for the last eight.

OVER-THE-COUNTER *Nasdaq national market, 3pm prices*

Continued from Page 36

Stock		Sales (Hnds)	High	Low	Last	Chng
RedknL	.52	12	29¼	29¼	29¼	-¼
Reeves		104	7½	7¼	7¼	-¼
RgcyE s	.20	819	8	7½	8	+¼
Regis	.15	18	26½	26½	26½	
SvcMer	.08	681	13¾	13½	13¾	
Svmst s	.96	25	30¼	29¼	29½	+¼
SvcFrct		33	11¼	11	11¼	+¼
SevOak	.16	56	14¾	14¼	14¾	+¼
ShrMed	.40	402	29¾	29¼	29½	
Shelchl		81	16¾	16½	16¾	+½
Sykes		134	3¾	3½	3¾	
SymbT		95	10	9¾	9¾	-¼
Syncor		50	6¼	6¼	6¼	-¼
Syntech		55	9¾	9	9¾	-¼
Synrex		100	7¾	7¼	7¼	-¼
Syscon	.24	8	13	13	13	-¼
UTL s		3	14½	14¼	14¼	
Ultrsy	.05e	66	17¼	16¾	17¼	+¾
Ungmn		154	12¼	11¾	12	+¼
Unifi		78	11½	11	11¼	-¼
Vlong s		13	13	12¾	12¾	
VisTech		31	12¼	11¾	12¼	
Vodvie		65	8¾	8½	8½	-½
Voltinf		21	15½	15	15	-¼
[illegible]						

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 30.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11⅞ 94	100	94¾	95¾	+0⅛	+0⅛	12.67
American Savings 12 89	135	99⅜	96⅞	-0⅛	-0⅛	12.13
Australia Comm 11⅜ 90	100	97⅛	97⅞	-0⅛	-0⅛	11.82
Australia Comm 11½ 95	300	91⅜	92⅛	-0⅛	0	12.84
Australia Comm 11⅝ 98	100	91⅝	92⅛	-0⅛	-0⅛	12.86
Australian Ind Dev 11 89	75	94⅞	94⅞	-0⅛	-0⅛	12.57
Bank Of Tokyo 11⅛ 90	100	94⅝	95⅛	-0⅛	0	13.01
Beneficial O/S Fin 13 01	100	93⅜	94	-0⅛	0	13.43
Brazil Fin 11⅞ 90	125	94⅛	95	-0⅛	-0⅛	13.08
Canada 10⅞ 88	500	98⅞	98⅞	-0⅛	-0⅛	11.95
Chicorp O/S 11¾ 99	100	97	97⅛	-	-	12.15
O.N.C. 11¾ 01 WW	50	93⅛	94⅛	0	-0⅛	13.17
O.B.C. 11¾ 01 XW	50	92⅛	93⅛	-0⅛	-0⅛	13.92
Denmark Kingdom 12 01	100	94	94⅛	-0⅛	-0⅛	13.31
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
New Zealand 7⅝ 89	15	102⅛	103	0	-0⅛	7.01
World Bank 7⅝ 93	20	100⅝	101⅜	-0⅛	-1	7.46
British Col Hyd 12 93 C$	125	94⅛	95⅛	+0⅛	0	12.90
Brit Col Tel 12⅛ 99 C$	70	89	95⅛	-0⅛	-0⅛	12.81
Canadian Occ 12⅜ 99 C$	60	†95⅛	95⅛	0	-1	13.08
E.I.B. 12⅛ 01 C$	60	†90⅛	97⅛	0	+0⅛	12.78
Loblaw 12½ 90 C$	35	†95⅛	95⅛	+0⅛	-0⅛	13.58
Montreal City Of 13 90 C$	50	†97⅛	97⅛	0	+0⅛	12.01
World Bank 13⅛ 98 C$	75	†98	98⅛	+0⅛	0	12.82
E.I.B. 11⅛ 98 ECU	50	†106	101	0	+1⅛	11.15
Royal Bk Can 10½ 89ECU	85	†97⅛	98⅛	-0⅛	-0⅛	10.87
Amro Bank 8 88 FL	200	*99	95⅛	0	-0⅛	8.10
[illegible]						

Average price change On day -0⅛ on week -0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅝ 94	15	99	99⅝	-0⅛	-0⅛	7.48
Eurofima 7⅝ 94	10	99⅞	99⅝	-0⅛	-0⅛	7.46
Int-Am Dev Bk 7⅝ 93	15	101½	101⅞	0	-0⅛	7.64

Average price change On day 0 on week -0⅛

DEUTSCHE MARK STRAIGHTS; SWISS FRANC STRAIGHTS; FLOATING RATE NOTES; CONVERTIBLE BONDS: [illegible]